

CITY OF MORGAN HILL
CAPITAL IMPROVEMENT PROGRAM

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CAPITAL IMPROVEMENT PROGRAM

CAPITAL IMPROVEMENT PROGRAM OVERVIEW

The Capital Improvement Program (CIP) is the primary tool that local governments use to plan for major capital projects and acquisitions. It identifies major capital needs over a multiyear forecast period and reflects the overall priorities of the City. The CIP focuses on large capital projects and acquisitions with long useful lives that have significant impact on the health, safety, and vibrancy of the community. Expenditures typically address one-time needs as opposed to the City's operations budget which addresses ongoing, year to year needs.

This is the first year of the transition to a two year operating budget cycle and six year CIP. The biennial budget consists of two separate budgets that the Council will consider for adoption. Prior to the conclusion of the first annual budget, the Council will be provided an update on revenue assumptions, fund balances, and possible amendments to the second year annual budget. A sixth year has been added to the CIP to ensure a five year spending plan is maintained. In conjunction with the biennial operations budget, the City Council also approves the first two years of the six year CIP budget.

The CIP is intended to address the following multi-faceted infrastructure needs of the City:

- Parks and Recreation: Fields, landscaping, lighting, irrigation, and recreational amenities
- Public Facilities: Community, public safety, recreation and civic facilities
- Wastewater: Collection pipes, lift stations, and trunk lines
- Storm Drainage: Inlet structures, pipelines, channels and basins
- Streets & Roads: Sidewalks, ramps, street lights, traffic signals and signs
- Water: Wells, pipelines, storage tanks (also called reservoirs), and pumping stations

The six-year CIP is a long-term spending plan that requires forecasting what the infrastructure needs for the City will be and forecasting the revenues needed to fund those needs. Morgan Hill has a wide variety of funding sources for CIP projects, some steady and predictable while others are dependent on outside agencies. For instance, the City receives monies annually from the State to help fund road repair projects. Also, a portion of the water and wastewater bills paid by residents and businesses go towards capital projects that keep the water and wastewater systems in good repair and functioning efficiently.

New development in Morgan Hill, be it residential homes or commercial and industrial buildings, is required to pay impact fees to the City, which goes towards the new and future infrastructure that will be needed as the City grows. Impact fees pay for the impact the new development's presence will have on the City. New development pays the following impact fees: streets, water, wastewater, drainage, police, fire, parks, library, and public facilities. These impact fees can only be used to build new infrastructure and facilities and cannot be used for ongoing maintenance or operations.

FY 2016-17 & FY 2017-18 CAPITAL IMPROVEMENT PROJECTS AND FUNDING

When the City Council adopts the six-year CIP, it is both approving the six-year spending plan for all capital projects and appropriating funds for the first two fiscal years of that plan; in this case FY 2016-17 and FY 2017-18. These appropriations are very important in that it authorizes City staff to spend those CIP funds on the approved projects in those fiscal years.

The recommended FY 2016-17 through FY 2021-22 CIP totals \$111.1 million. The project categories include 1) Parks & Recreation (\$20.9 million), 2) Public Facilities (\$6.7 million), 3) Wastewater (\$45.0 million), 4) Storm Drainage

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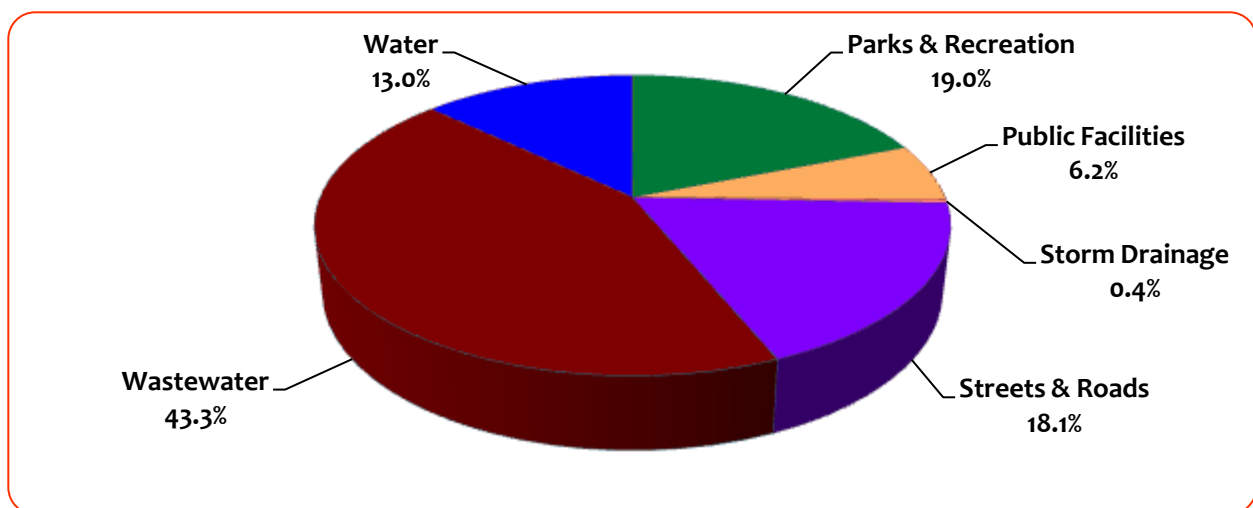
(\$6.1 million), 5) Streets & Roads (\$16.8 million), and 6) Water (\$15.7 million).

FY 2016-17 and FY 2017-18 CIP are appropriated as part of the FY 2016-18 Biennial Budget approval process and they total \$57.9 million.

Some of the project highlights include the following:

- Downtown Parks (\$4.1 million): Create parks and trails in the Downtown that are integrated as part of Downtown revitalization.
- Library Expansion (\$3.4 million): Design and construction for the expansion and improvement of the Morgan Hill Library that includes space modification and improvements.
- Pavement Rehabilitation Program (\$3.3 million): Ongoing program to address the City's pavement rehabilitation needs.
- Hale Avenue Extension (\$3.9 million): The extension would provide relief for congestion along Monterey Road through the Downtown and relief for the residential areas west of the Downtown. It is important to note that the majority of project funding will need to be secured prior to commencing construction.
- Sewer Plant Improvement (\$1.3 million) and Sewer Plant Expansion Project (\$2.0 million): These projects are for the City's 41.9 percent share of the improvement and expansion costs at the South County Regional Wastewater Authority (SCRWA) treatment plant which is co-owned with the City of Gilroy.
- New Well Property/Construction (\$2.0 million) and New Water Reservoirs (\$2.7 million): New water wells are required to meet the City's water supply needs as Morgan Hill grows and to provide the necessary reliability during drought conditions. New reservoirs are needed to increase storage capability and assist meeting peak demand levels.

FY 2016-17 & FY 2017-18 Budget by Project Category



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BUDGET SUMMARY

Project Categories	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	Totals
1 Parks & Recreation	\$7,051,000	\$3,980,000	\$5,120,000	\$1,715,000	\$1,955,000	\$1,070,000	\$20,891,000
2 Public Facilities	\$255,000	\$3,330,000		\$150,000	\$2,990,000		\$6,725,000
3 Storm Drainage	\$50,000	\$170,000	\$2,490,000	\$2,940,000	\$250,000	\$150,000	\$6,050,000
4 Streets & Roads	\$5,260,000	\$5,240,000	\$2,575,000	\$1,015,000	\$1,645,000	\$1,020,000	\$16,755,000
5 Wastewater	\$9,457,000	\$15,642,000	\$6,009,000	\$4,483,000	\$4,690,000	\$4,684,000	\$44,965,000
6 Water	\$7,001,000	\$500,000	\$1,235,000	\$2,955,000	\$1,250,000	\$2,740,000	\$15,681,000
Totals	\$29,074,000	\$28,862,000	\$17,429,000	\$13,258,000	\$12,780,000	\$9,664,000	\$111,067,000

Project Funding Sources	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	Totals
215 - CDBG: Parks & Recreation	\$70,000						\$70,000
301 - Park Impact: Parks & Recreation	\$5,411,000	\$2,585,000	\$2,050,000	\$70,000	\$70,000	\$70,000	\$10,256,000
303 - Local Drainage Impact: Storm Drainage		\$20,000	\$2,340,000	\$2,790,000	\$100,000		\$5,250,000
304 - Local Drainage/Non AB 1600: Storm Drainage	\$50,000	\$150,000	\$150,000	\$150,000	\$150,000	\$150,000	\$800,000
306 - Agriculture & Open Space Preservation: Parks & Recreation	\$1,320,000	\$1,235,000	\$1,000,000	\$1,500,000	\$1,000,000	\$1,000,000	\$7,055,000
308 - Street CIP: Streets & Roads	\$2,700,000	\$1,345,000	\$1,350,000	\$605,000	\$610,000	\$610,000	\$7,220,000
309 - Traffic Impact: Streets & Roads	\$980,000	\$2,985,000	\$150,000				\$4,115,000
313 - Fire Impact: Public Facilities				\$150,000	\$2,990,000		\$3,140,000
346 - Public Facilities/Non-AB 1600: Streets & Roads	\$590,000	\$40,000	\$520,000	\$40,000	\$580,000	\$40,000	\$1,810,000
347 - Public Facilities Impact	\$140,000						\$140,000

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Project Funding Sources	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	Totals
347 - Public Facilities Impact: Streets & Roads	\$290,000		\$85,000		\$85,000		\$460,000
348 - Library Impact: Public Facilities	\$115,000	\$3,330,000					\$3,445,000
350 - Undergrounding: Streets & Roads							
355 - School Pedestrian & Traffic Safety: Parks & Recreation	\$250,000						\$250,000
355 - School Pedestrian & Traffic Safety: Streets & Roads	\$685,000	\$870,000	\$470,000	\$370,000	\$370,000	\$370,000	\$3,135,000
360 - Com/Rec Ctr Impact: Parks & Recreation		\$160,000	\$2,070,000	\$145,000	\$885,000		\$3,260,000
641 - Sewer Impact: Wastewater	\$4,497,000	\$11,405,000	\$5,079,000	\$3,303,000	\$2,984,000	\$3,421,000	\$30,689,000
643 - Sewer Capital Project: Streets & Roads	\$8,000						\$8,000
643 - Sewer Capital Project: Wastewater	\$4,960,000	\$4,237,000	\$930,000	\$1,180,000	\$1,706,000	\$1,263,000	\$14,276,000
651 - Water Impact: Water	\$3,867,000	\$100,000	\$300,000	\$1,390,000	\$250,000	\$340,000	\$6,247,000
653 - Water Capital Project: Streets & Roads	\$7,000						\$7,000
653 - Water Capital Project: Water	\$3,134,000	\$400,000	\$935,000	\$1,565,000	\$1,000,000	\$2,400,000	\$9,434,000
Totals	\$29,074,000	\$28,862,000	\$17,429,000	\$13,258,000	\$12,780,000	\$9,664,000	\$111,067,000

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Parks & Recreation

Project Title	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	Totals
110097 - Parks Land Purchase and Development	\$180,000	\$2,150,000	\$2,050,000	\$70,000	\$70,000	\$70,000	\$4,590,000
117001 - West Little Llagas Creek Trail	\$650,000	\$435,000					\$1,085,000
125004 - Open Space Acquisitions							
132008 - El Toro Trail	\$320,000	\$235,000					\$555,000
135013 - Downtown Parks	\$4,051,000						\$4,051,000
136014 - Parks Master Plan Update	\$20,000						\$20,000
137015 - Inclusive Playground	\$550,000						\$550,000
138016 - Centennial Recreation Center Expansion		\$160,000	\$2,070,000				\$2,230,000
139016 - Sports Facilities Parking Lots	\$25,000			\$645,000	\$885,000		\$1,555,000
140016 - Agricultural Preservation	\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000	\$6,000,000
141016 - Galvan Park Improvements	\$255,000						\$255,000
Totals	\$7,051,000	\$3,980,000	\$5,120,000	\$1,715,000	\$1,955,000	\$1,070,000	\$20,891,000

Project Funding Sources	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	Totals
215 - CDBG	\$70,000						\$70,000
301 - Park Impact	\$5,411,000	\$2,585,000	\$2,050,000	\$70,000	\$70,000	\$70,000	\$10,256,000
306 - Agriculture & Open Space Preservation	\$1,320,000	\$1,235,000	\$1,000,000	\$1,500,000	\$1,000,000	\$1,000,000	\$7,055,000
355 - School Ped. & Traffic Safety	\$250,000						\$250,000
360 - Com/Rec Ctr Impact		\$160,000	\$2,070,000	\$145,000	\$885,000		\$3,260,000
Totals	\$7,051,000	\$3,980,000	\$5,120,000	\$1,715,000	\$1,955,000	\$1,070,000	\$20,891,000

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Public Facilities

Project Title	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	Totals
250014 - Fire Station on Butterfield				\$150,000	\$2,990,000		\$3,140,000
251015 - Library Expansion	\$115,000	\$3,330,000					\$3,445,000
252016 - Corporation Yard Long Term Plan	\$140,000						\$140,000
Totals	\$255,000	\$3,330,000		\$150,000	\$2,990,000		\$6,725,000

Project Funding Sources	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	Totals
313 - Fire Impact				\$150,000	\$2,990,000		\$3,140,000
347 - Public Facilities Impact	\$140,000						\$140,000
348 - Library Impact	\$115,000	\$3,330,000					\$3,445,000
Totals	\$255,000	\$3,330,000		\$150,000	\$2,990,000		\$6,725,000

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Storm Drainage

Project Title	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	Totals
415097 - Storm Pipe Installation	\$50,000	\$150,000	\$150,000	\$150,000	\$150,000	\$150,000	\$800,000
417099 - Llagas Flood Control		\$20,000	\$2,340,000	\$2,790,000	\$100,000		\$5,250,000
Totals	\$50,000	\$170,000	\$2,490,000	\$2,940,000	\$250,000	\$150,000	\$6,050,000

Project Funding Sources	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	Totals
303 - Local Drainage Impact		\$20,000	\$2,340,000	\$2,790,000	\$100,000		\$5,250,000
304 - Local Drainage/Non AB 1600	\$50,000	\$150,000	\$150,000	\$150,000	\$150,000	\$150,000	\$800,000
Totals	\$50,000	\$170,000	\$2,490,000	\$2,940,000	\$250,000	\$150,000	\$6,050,000

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Streets & Roads

Project Title	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	Totals
502000 - New Signal Construction	\$250,000		\$480,000		\$540,000		\$1,270,000
512093 - Underground Monterey Utilities	\$340,000						\$340,000
519000 - Pavement Rehabilitation Program	\$1,995,000	\$1,345,000	\$1,350,000	\$605,000	\$610,000	\$610,000	\$6,515,000
546007 - Hale Avenue Extension	\$915,000	\$2,985,000	\$150,000				\$4,050,000
551008 - RDSC School Safety Improvements	\$345,000	\$530,000	\$390,000	\$290,000	\$290,000	\$290,000	\$2,135,000
561012 - Monterey Road Medians	\$40,000						\$40,000
563013 - Assessment District - Streets	\$705,000						\$705,000
568014 - Parking Lot Maintenance & Rehabilitation	\$40,000	\$40,000	\$40,000	\$40,000	\$40,000	\$40,000	\$240,000
570014 - Charging Stations - CCC/AC/CRC	\$290,000		\$85,000		\$85,000		\$460,000
574015 - Sidewalk Repairs	\$340,000	\$340,000	\$80,000	\$80,000	\$80,000	\$80,000	\$1,000,000
Totals	\$5,260,000	\$5,240,000	\$2,575,000	\$1,015,000	\$1,645,000	\$1,020,000	\$16,755,000

Project Funding Sources	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	Totals
308 - Street CIP	\$2,700,000	\$1,345,000	\$1,350,000	\$605,000	\$610,000	\$610,000	\$7,220,000
309 - Traffic Impact	\$980,000	\$2,985,000	\$150,000				\$4,115,000
346 - Public Facilities/Non-AB 1600	\$590,000	\$40,000	\$520,000	\$40,000	\$580,000	\$40,000	\$1,810,000
347 - Pub. Fac. Impact	\$290,000		\$85,000		\$85,000		\$460,000
350 - Undergrounding							
355 - School Ped. & Traffic Safety	\$685,000	\$870,000	\$470,000	\$370,000	\$370,000	\$370,000	\$3,135,000
643 - Sewer Capital	\$8,000						\$8,000
653 - Water Capital	\$7,000						\$7,000
Totals	\$5,260,000	\$5,240,000	\$2,575,000	\$1,015,000	\$1,645,000	\$1,020,000	\$16,755,000

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Wastewater

Project Title	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	Totals
302000 - Sanitary Sewer Rehabilitation	\$924,000	\$3,537,000	\$850,000	\$1,100,000	\$600,000	\$1,250,000	\$8,261,000
303093 - Sewer Plant Expansion (SCRWA)	\$693,000	\$1,279,000	\$4,152,000	\$3,053,000	\$1,684,000	\$421,000	\$11,282,000
303a11 - Sewer Plant Improvements	\$1,183,000	\$80,000	\$80,000	\$80,000	\$230,000	\$13,000	\$1,666,000
304000 - Lift Station Improvements	\$3,182,000	\$1,986,000	\$200,000	\$250,000	\$1,676,000		\$7,294,000
308a08 - New Trunk Line	\$2,645,000	\$7,691,000	\$127,000		\$500,000	\$3,000,000	\$13,963,000
315006 - New Sewer Mains	\$830,000	\$1,069,000	\$600,000				\$2,499,000
Totals	\$9,457,000	\$15,642,000	\$6,009,000	\$4,483,000	\$4,690,000	\$4,684,000	\$44,965,000

Project Funding Sources	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	Totals
641 - Sewer Impact	\$4,497,000	\$11,405,000	\$5,079,000	\$3,303,000	\$2,984,000	\$3,421,000	\$30,689,000
643 - Sewer Capital Project	\$4,960,000	\$4,237,000	\$930,000	\$1,180,000	\$1,706,000	\$1,263,000	\$14,276,000
Totals	\$9,457,000	\$15,642,000	\$6,009,000	\$4,483,000	\$4,690,000	\$4,684,000	\$44,965,000

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Water

Project Title	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	Totals
601000 - New Well Property/Construction	\$1,963,000			\$1,140,000		\$90,000	\$3,193,000
602000 - New Water Reservoirs	\$2,720,000				\$370,000		\$3,090,000
603000 - New Water Mains	\$1,325,000		\$200,000	\$200,000	\$200,000	\$200,000	\$2,125,000
607000 - Booster Pump Rehabilitation	\$313,000					\$1,100,000	\$1,413,000
608000 - Rehabilitate Water Wells	\$580,000			\$630,000			\$1,210,000
610000 - Water Main Replacement			\$735,000	\$735,000	\$430,000	\$1,100,000	\$3,000,000
620007 - Recoat Water Reservoir/Tank						\$200,000	\$200,000
623014 - Water Supply Planning	\$100,000	\$100,000	\$300,000	\$250,000	\$250,000	\$50,000	\$1,050,000
625016 - Well Demolition and Abandonment		\$400,000					\$400,000
Totals	\$7,001,000	\$500,000	\$1,235,000	\$2,955,000	\$1,250,000	\$2,740,000	\$15,681,000

Project Funding Sources	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	Totals
651 - Water Impact	\$3,867,000	\$100,000	\$300,000	\$1,390,000	\$250,000	\$340,000	\$6,247,000
653 - Water Capital Project	\$3,134,000	\$400,000	\$935,000	\$1,565,000	\$1,000,000	\$2,400,000	\$9,434,000
Totals	\$7,001,000	\$500,000	\$1,235,000	\$2,955,000	\$1,250,000	\$2,740,000	\$15,681,000

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Project	Parks Land Purchase and Development	Project No.	110097
Category	Parks & Recreation	Department	Community Services
Council Priorities	Protecting the Environment, Supporting Youth	Location	Citywide



Project Description

Purchase of land for future parks as identified in the Parks, Facilities and Recreation Programming Master Plan and the General Plan. In 2015, the City acquired property for future development of a 23 acre softball and baseball field complex at the corner of Tennant and Condit. The City parks land purchase and development priorities include: purchase of additional park space adjacent to City sports facilities on Condit Road (FY 18/19), acquisition and development of a neighborhood park space (FY 18/19), and the development of park space on School District property on Peet Road (FY 17/18).

The additional park space on Condit Road would provide additional parking space for major events through a lease with an option to purchase. It is anticipated the lease would begin before the conclusion of FY 15/16. Lease payments would be \$100,000 per year with a portion of payment going towards the purchase. This project accounts for the option to purchase being executed in FY 18/19. Since this site and the Ball Field site are located in the County payment of property taxes for both sites are accounted for in this project.

Amounts in Property Acquisition account in FY 19/20 - FY 21/22 are solely for property taxes.

If the Morgan Hill Unified School District (MHUSD) formally acquires the property off of Peak Avenue the City intends to support the development of park amenities at the school site. \$2 million is allocated for FY 17/18 for development of this park space. The City will work with the MHUSD to master plan the site and develop a joint use agreement prior to committing funds. Should this project not materialize the funds would be spent on other

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projects as identified through Parks and Recreation Master Plan Update.

The City is currently updating its Master Plan for parks. Other Park acquisition and development projects will be identified and prioritized through that planning process, which is anticipated to be completed in the Fall of 2016.

Project Justification

Acquiring property for new parks helps ensure an adequate parks inventory in the future and is a required element of the Parks Master Plan.

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Expenditure Schedule & Category

Parks & Recreation: 110097

	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22
86120 - Property Acquisition	\$150,000	\$150,000	\$2,050,000	\$70,000	\$70,000	\$70,000
86360 - Construction	\$30,000	\$2,000,000				
FUNDING TOTALS	\$180,000	\$2,150,000	\$2,050,000	\$70,000	\$70,000	\$70,000

Funding Sources

Funding Category	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22
f301 - Park Impact Fund	\$180,000	\$2,150,000	\$2,050,000	\$70,000	\$70,000	\$70,000
PROJECT COST	\$180,000	\$2,150,000	\$2,050,000	\$70,000	\$70,000	\$70,000

Estimated Project Schedule

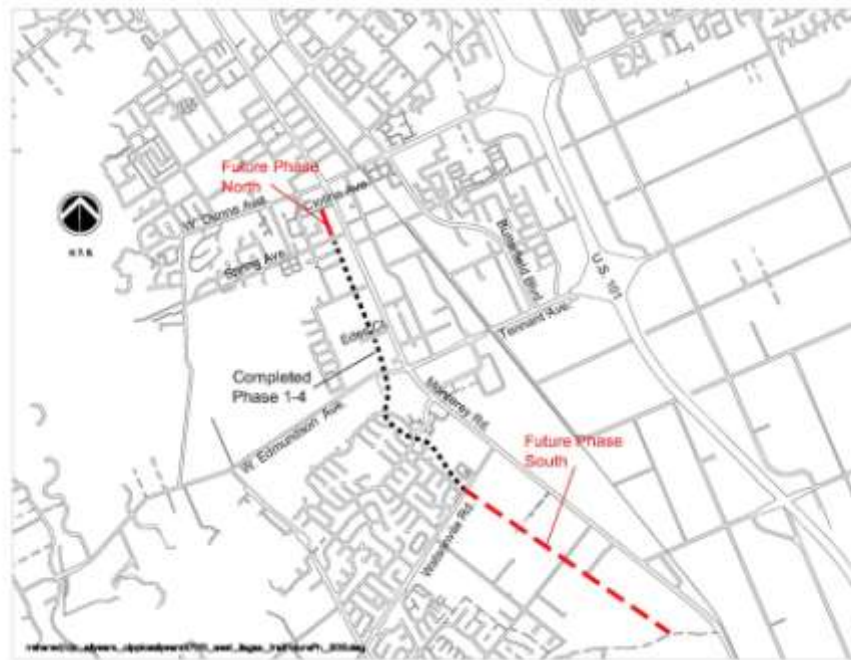
	2016-17				2017-18				2018-19				2019-20				2020-21				2021-22			
Quarter	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4
Planning	X	X	X	X	X	X	X	X	X	X	X	X												
Project Design			X	X	X	X																		
Right-of-Way Acquisition & Permitting				X	X	X	X	X	X	X														
Construction																								
Project Closeout																								

Operating Cost Impacts

No new operations costs are incurred prior to development if other alternate uses, such as farming, can be identified. Without an alternate use, annual cost to abate weeds would be approximately \$125 per acre. Property land banked in the County for future City use requires payment of property taxes. New Park development will require additional funds for maintenance, new funding levels will be dependent on the size and amenities developed within each park.

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Project	West Little Llagas Creek Trail	Project No.	117001
Category	Parks & Recreation	Department	Public Works
Council Priorities	Enhancing Public Safety, Supporting Youth	Location	Along West Little Llagas Creek



Project Description

Project provides for a continuous Class 1 pedestrian pathway along the West Little Llagas Creek Trail from the City's Downtown south to the future Silveira Park wetlands area. The alignment of this trail will follow the Upper Llagas Flood Control project taking advantage of the maintenance roads required for that project. The scope includes a meandering asphalt pathway, including trees, benches, lit crosswalks (where necessary at street crossings), and interpretive landmarks and signage (where appropriate). The two reaches remaining are: 1) Watsonville Road to Silveira Park wetlands area, FY 16/17, 2) Spring Avenue to the Downtown core, FY 17/18.

Completion of the northern and southern portions of the project cannot commence until the Santa Clara Valley Water District (District) completes the Upper Llagas Flood Control project in those areas. The City continues to coordinate efforts with the District on this project and on the future recreation amenities. The southern portion is projected to happen in 2017 and the northern portion in 2019. Funding for this portion will come from grants and Park Impact Funds.

Project Justification

The adopted Parks, Facilities and Recreational Facilities Master Plan calls for installation, where possible, of bike and pedestrian trails along all creeks and channels. In addition, the adopted Trails Master Plan calls for a paved trail along the West Little Llagas Creek.

CITY OF MORGAN HILL
CAPITAL IMPROVEMENT PROGRAM

Expenditure Schedule & Category

Parks & Recreation: 117001

	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22
86121 - Right-of-Way Acquisition		\$250,000				
86201 - Environmental Clearances	\$10,000					
86220 - Architecture and Design	\$60,000	\$20,000				
86360 - Construction	\$550,000	\$150,000				
86530 - Project Implementation	\$30,000	\$15,000				
FUNDING TOTALS	\$650,000	\$435,000				

Funding Sources

f301 - Park Impact Fund	\$650,000	\$435,000				
PROJECT COST	\$650,000	\$435,000				

Estimated Project Schedule

	2016-17				2017-18				2018-19				2019-20				2020-21				2021-22			
Quarter	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4
Planning	X	X			X	X																		
Project Design			X	X			X	X																
Right-of-Way Acquisition & Permitting			X	X			X	X																
Construction				X	X	X		X	X	X														
Project Closeout							X		X															

Operating Cost Impacts

This facility will increase Park Maintenance operating costs in the General Fund by approximately \$1,000 annually for landscape maintenance, weed control, tree trimming, utilities, occasional trail minor repair work, graffiti/vandalism and repair/replacement of trail benches. It is expected that significant pavement repairs will be required on a 20-year cycle.

CITY OF MORGAN HILL

CAPITAL IMPROVEMENT PROGRAM

Project	Open Space Acquisitions	Project No.	125004
Category	Parks & Recreation	Department	Public Works
Council Priorities	Protecting the Environment	Location	Citywide



Project Description

This project consists of the purchase of conservation easements and/or fee title for agriculture and open space and to account for agricultural mitigation fees associated with the purchase of park land per the City's policies. The Urban Limit Line/Greenbelt Study was conducted to identify the long-term limits of City growth and establish a non-urban buffer or greenbelt around the City. According to the Urban Limit Line/Greenbelt Study, priority locations for a greenbelt are: the east side of El Toro Mountain and the foothills east of Hill Rd. and north of E. Dunne Ave. Open space acquisition for the purpose of Agricultural mitigation is also an option. Funding is from City Agriculture and Open Space Preservation funds.

Currently no funding for open space purchases has been allocated as these purchases are often opportunity based. Use of the Agriculture and Open Space Preservation Fund has currently been prioritized for agricultural preservation.

Project Justification

The General Plan Open Space and Conservation Element advocates the preservation of open space and the creation of a greenbelt around the city.

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CAPITAL IMPROVEMENT PROGRAM

Expenditure Schedule & Category

Parks & Recreation: 125004

	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22
86120 - Property Acquisition						
86205 - Agriculture Mitigation						
86230 - Legal Services						
86530 - Project Implementation						
FUNDING TOTALS						

Funding Sources

Funding Category	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22
f306 - Open Space Fund						
PROJECT COST						

Estimated Project Schedule

	2016-17				2017-18				2018-19				2019-20				2020-21				2021-22			
Quarter	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4
Planning																								
Project Design																								
Right-of-Way Acquisition & Permitting																								
Construction																								
Project Closeout																								

Operating Cost Impacts

Minimal maintenance cost for undeveloped open space.

CITY OF MORGAN HILL

CAPITAL IMPROVEMENT PROGRAM

Project	El Toro Trail	Project No.	132008
Category	Parks & Recreation	Department	PWD & CSD
Council Priorities	Protecting the Environment, Supporting Youth	Location	El Toro Mountain



Project Description

This project will provide a non-paved public trail (meeting City Trail Study guidelines) on El Toro Mountain. On February 4, 2015, Council approved an "Access Strategy", which details a primary access to El Toro Mountain near the DeWitt/Spring intersection. Staff will continue to address concerns raised by the public, such as parking, safety, etc. The Open Space Authority (OSA) has acquired lands to the south of El Toro Mountain and intends to provide a trail on that property. Currently, neither the City nor the OSA has property rights encircling the El Toro summit area which would be required to provide a trail all the way to the top. The City and OSA will partner to develop the trail. Both agencies will assist with the acquisition, design, and construction. The City could potentially purchase property rights using Open Space funds.

Project Justification

Per Trails Master Plan and community input.

CITY OF MORGAN HILL
CAPITAL IMPROVEMENT PROGRAM

Expenditure Schedule & Category

Parks & Recreation: 132008

	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22
86120 - Property Acquisition	\$300,000					
86201 - Environmental Clearances		\$40,000				
86220 - Architecture and Design		\$25,000				
86360 - Construction		\$150,000				
86530 - Project Implementation	\$20,000	\$20,000				
FUNDING TOTALS	\$320,000	\$235,000				

Funding Sources

Funding Category	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22
f306 - Agriculture & Open Space Preservation	\$320,000	\$235,000				
PROJECT COST	\$320,000	\$235,000				

Estimated Project Schedule

	2016-17				2017-18				2018-19				2019-20				2020-21				2021-22			
Quarter	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4
Planning	X	X	X	X																				
Project Design					X	X	X																	
Right-of-Way Acquisition & Permitting					X	X	X	X																
Construction									X	X	X													
Project Closeout												X												

Operating Cost Impacts

This facility will increase Park Maintenance operating costs in the General Fund by approximately \$3,000 annually for litter removal, trash collection, and minor trail repair work in the areas near the trailhead. This estimate assumes that volunteers will participate in trail maintenance and litter collection in the upper reaches of the trail.

CITY OF MORGAN HILL

CAPITAL IMPROVEMENT PROGRAM

Project	Downtown Parks	Project No.	135013
Category	Parks & Recreation	Department	PWD & CSD
Council Priorities	Enhancing Public Safety, Supporting Youth	Location	Downtown Morgan Hill



Project Description

The goal of this project is to create parks and trails that are integrated into the Downtown. This project will build upon the Downtown Specific Plan and the 2012 Downtown Park Visioning process. In FY 14/15, a significant amount of community engagement was conducted for the potential sites for trails and parks in the downtown area. This process was integrated with the discussion with the community for the overall downtown streetscape project. Three park areas were designated, including:

1. Depot Street Park: Located on a portion of the Depot Street parking lot.
2. Downtown Creek Park: Located on City owned land west of Monterey Road on Third Street.
3. Hilltop Trail: Located on City owned land adjacent to the Nob Hill water reservoir.

The parks will contain both active and passive elements. At the Depot Street Park the park will focus on play equipment for youth of various ages. The Downtown Creek Park will be more passive in nature and include benches, paths and other natural elements. The Hill Top Trail will provide additional amenities including par course equipment, viewing stations and slides.

A Housing Related Parks Grant from the State of California in the amount of \$1,380,000 was awarded in 2015 for this project. The City has submitted for additional grant funds for this project in 2016 and notification of award will occur in June 2016, but anticipates receiving an additional \$600,000; the total grant funding is \$1,980,000. Use of the Pedestrian Safety Fund for a portion of this project will support developing a safe route for students

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traveling north to Britton Middle School.

Project Justification

The City Council has made revitalization of the downtown through implementation of the Downtown Specific Plan one of its priorities. The Downtown currently lacks green park spaces and construction of these parks will support the Downtown Placemaking Investment Strategy.

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CAPITAL IMPROVEMENT PROGRAM

Expenditure Schedule & Category

Parks & Recreation: 135013

	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22
86120 - Property Acquisition	\$126,000					
86201 - Environmental Clearances	\$75,000					
86220 - Architecture and Design	\$50,000					
86360 - Construction	\$3,600,000					
86530 - Project Implementation	\$200,000					
FUNDING TOTALS	\$4,051,000					

Funding Sources

Funding Category	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22
f301 - Park Impact Fund	\$3,801,000					
f355 - School Pedestrian & Traffic Safety	\$250,000					
PROJECT COST	\$4,051,000					

Estimated Project Schedule

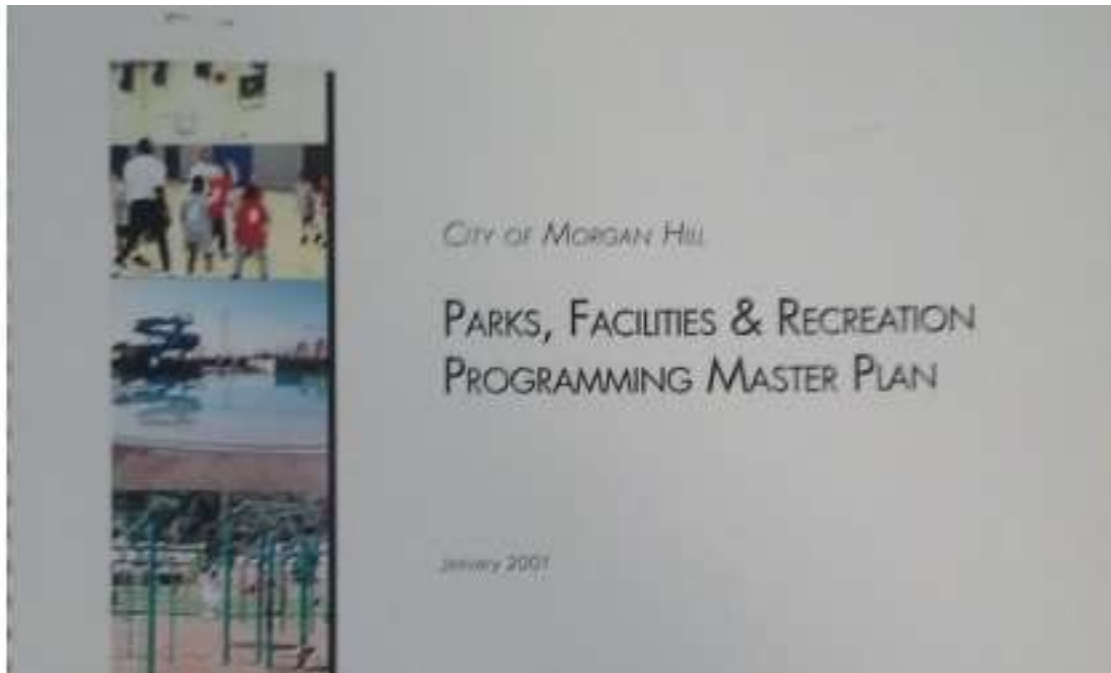
	2016-17				2017-18				2018-19				2019-20				2020-21				2021-22			
Quarter	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4
Planning																								
Project Design	X																							
Right-of-Way Acquisition & Permitting	X																							
Construction	X	X	X																					
Project Closeout				X	X																			

Operating Cost Impacts

Having additional park lands in the City's inventory will bring additional maintenance costs. The costs are estimated to be approximately \$90,000 per year, beginning in 2016/17. Maintenance costs have been included in the City Operating Budget's five year forecast.

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Project	Parks Master Plan Update	Project No.	136014
Category	Parks & Recreation	Department	Public Works
Council Priorities	Enhancing Public Safety, Supporting Youth	Location	Citywide



Project Description

The Parks and Recreation Master Plan was most recently updated in 2002. With most of the centers outlined in the plan constructed and in operation, the next update to the plan will focus on future park planning and development. After engaging the community, an updated Parks and Recreation Master Plan will map a vision for advancing the City's parks. Revision of the Community Park Master Plan will also occur as part of this process. In June 2008, the City updated the Bikeways Master Plan, which contains new bike lanes, paths, and routes within the City to aide non-motorized travel. The Trails and Natural Resources Study, which complimented the Bikeways Master Plan, was completed in November 2007. Its main function was to identify new trails and sidewalk connections, and also close gaps in the existing sidewalk system. In May of 2015 , the City hired MIG Consultants to conduct updates to all these Master Plans. The planning process will run through December of 2016. Funds in FY 16/17 are for CEQA review.

Upon completion of the Master Plan the Capital Improvement Program will be updated with additional projects that have been prioritized for the Park Impact Fund and Recreation Center Impact Fund.

Project Justification

The City's General Plan indicates the Parks and Recreation Master Plan is to be updated every five years. Both the Trails and Bikeways Master Plans are in need of updating and combining the two plans will be more efficient and cost effective than preparing them separately. Having current master plans is important for obtaining future grant funds as well as defining long term direction for the development of future citywide park, recreation, trail,

CITY OF MORGAN HILL

CAPITAL IMPROVEMENT PROGRAM

bicycle and pedestrian facilities. These master plans would be consistent with the General Plan Circulation Element goals #1, #6, #7, #8, and #9.

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Expenditure Schedule & Category

Parks & Recreation: 136014

	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22
86201 - Environmental Clearances	\$20,000					
FUNDING TOTALS	\$20,000					

Funding Sources

Funding Category	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22
f301 - Park Impact Fund	\$20,000					
PROJECT COST	\$20,000					

Estimated Project Schedule

	2016-17				2017-18				2018-19				2019-20				2020-21				2021-22			
Quarter	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4
Planning	X	X																						
Project Design																								
Right-of-Way Acquisition & Permitting																								
Construction																								
Project Closeout	X	X																						

Operating Cost Impacts

Updating the Plan will not create any additional operational costs. Ongoing operations and maintenance cost planning for future park development will be a component of the Master Plan.

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CAPITAL IMPROVEMENT PROGRAM

Project	Inclusive Playground	Project No.	137015
Category	Parks & Recreation	Department	Community Services
Council Priorities	Enhancing Public Safety, Supporting Youth	Location	Community Park



Project Description

A Morgan Hill Inclusive Playground Committee (a Morgan Hill Community Foundation Affiliate) is actively working on the planning and fundraising to build an inclusive playground for the Morgan Hill Community. Inclusive playgrounds provide play opportunities for all children, including those with disabilities. The location of the facility is planned for Community Park. Concept designs will be complete in May of 2016 and the group will begin formal fundraising at that time. The City previously funded the concept design for approximately \$100,000 and committed an additional \$300,000 towards the project. Funding in the current CIP increases that support by \$250,000 with the original \$300,000 to support construction and \$250,000 to support City project administration costs, permit fees and other City related costs. It is envisioned that the community will raise the additional \$3.5 million to fund the playground.

Project Justification

The development of a universally accessible playground supports a number of the City Council's Priorities and Goals, including: Supporting Youth, Preserving and Cultivating Public Trust, and Stimulating Economic Development. This project will be volunteer and community driven in both funding and design of the facility.

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CAPITAL IMPROVEMENT PROGRAM

Expenditure Schedule & Category

Parks & Recreation: 137015

	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22
86220 - Architecture and Design	\$100,000					
86360 - Construction	\$300,000					
86530 - Project Implementation	\$150,000					
FUNDING TOTALS	\$550,000					

Funding Sources

Funding Category	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22
f301 - Park Impact Fund	\$550,000					
PROJECT COST	\$550,000					

Estimated Project Schedule

	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22
Quarter	1 2 3 4	1 2 3 4	1 2 3 4	1 2 3 4	1 2 3 4	1 2 3 4
Planning	X X X					
Project Design	X X X					
Right-of-Way Acquisition & Permitting						
Construction		X X X X X				
Project Closeout			X X			

Operating Cost Impacts

Maintenance costs would vary by design, location and size of the playground. It is estimated that maintenance of the facility could cost up to \$30,000 annually if maintained by the City. However, it is envisioned that fundraising could offset some of this annual cost.

CITY OF MORGAN HILL

CAPITAL IMPROVEMENT PROGRAM

Project	Centennial Recreation Center Expansion	Project No.	138016
Category	Parks & Recreation	Department	CSD & PWD
Council Priorities	Supporting Youth, Developing Our Community, Enhancing Our Services	Location	Centennial Recreation Center



Project Description

The Centennial Recreation Center (CRC) opened in October of 2006. At that time it was anticipated that the facility was anticipated to accommodate 2,250 membership units. By the end of June 2009 the facility had nearly 3,200 membership units equaling over 10,000 memberships. Then in the Spring of 2010 the CRC Fitness Center was expanded providing over 2,000 additional square feet of useable fitness space and a variety of additional fitness equipment. Since that time the membership has continued to grow and the facility now has over 4,600 membership units and nearly 15,000 members. While creative programming has been used, the facility is at functional capacity.

This project will expand the facility accommodating future programming needs and membership growth. Prior to design, a needs assessment will be performed to determine the expansion areas of health, wellness and recreation. This assessment will be the foundation for the design of the new expanded space. During FY 17/18 design will occur with construction on expansion of parking and building occurring in FY 18/19.

Project Justification

Due to overwhelming popularity of the CRC and it serving as the hub of recreation programs for the community this project was identified during the needs assessment performed during the fall of 2015.

CITY OF MORGAN HILL
CAPITAL IMPROVEMENT PROGRAM

Expenditure Schedule & Category

Parks & Recreation: 138016

	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22
86200 - Professional Services			\$30,000			
86201 - Environmental Clearances			\$15,000			
86220 - Architecture and Design		\$160,000	\$25,000			
86360 - Construction			\$1,800,000			
86530 - Project Implementation			\$200,000			
FUNDING TOTALS		\$160,000	\$2,070,000			

Funding Sources

Funding Category	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22
f360 - Community Center Impact Fund		\$160,000	\$2,070,000			
PROJECT COST		\$160,000	\$2,070,000			

Estimated Project Schedule

	2016-17				2017-18				2018-19				2019-20				2020-21				2021-22			
Quarter	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4
Planning					X	X	X	X																
Project Design								X	X	X	X	X												
Right-of-Way Acquisition & Permitting																								
Construction										X	X	X	X	X	X									
Project Closeout																	X	X						

Operating Cost Impacts

As part of the Recreation and Community Services Department, the Centennial Recreation Center operations balance cost recovery and community access. The additional costs for operation of the expanded facility will be recovered through increased memberships and program fees.

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CAPITAL IMPROVEMENT PROGRAM

Project	Sports Facilities Parking Lots	Project No.	139016
Category	Parks & Recreation	Department	Public Works
Council Priorities	Supporting Youth, Developing Our Community, Enhancing Our Services	Location	Outdoor Sports Center & Aquatics Center



Project Description

The City's Outdoor Sports Center and Aquatics Center continue to be a regional draw and an economic development engine as hundreds of thousands of visitors use these facilities annually. In addition, both of these facilities provide local residents with valuable community resources. Parking at these facilities is limited and expansion is necessary. The planned expansion of the facilities would integrate the parking and adjacent areas into a master planned design for the entire site.

It is anticipated that this land acquisition will occur through a lease with an option to purchase. It is anticipated that the acquired space will provide for immediate temporary parking. Minor improvements would occur once leased in FY 16/17. This project calls for the permanent development of the acquired land in FY 20/21 after the option to purchase has been executed. This project was identified during the needs assessment performed prior to reinstating the City's Recreation Center Impact Fee.

Project Justification

The popularity and use of the Aquatics Center and Outdoor Sports Center continues to grow. As the Community continues to grow additional parking is required to accommodate use of the facilities.

CITY OF MORGAN HILL
CAPITAL IMPROVEMENT PROGRAM

Expenditure Schedule & Category

Parks & Recreation: 139016

	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22
86200 - Professional Services				\$540,000		
86201 - Environmental Clearances				\$10,000		
86220 - Architecture and Design				\$80,000		
86360 - Construction	\$25,000				\$800,000	
86530 - Project Implementation				\$15,000	\$85,000	
FUNDING TOTALS	\$25,000			\$645,000	\$885,000	

Funding Sources

Funding Category	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22
f301 - Park Impact Fund	\$25,000					
f306 - Agriculture & Open Space Preservation				\$500,000		
f360 - Community Center Impact Fund				\$145,000	\$885,000	
PROJECT COST	\$25,000			\$645,000	\$885,000	

Estimated Project Schedule

	2016-17				2017-18				2018-19				2019-20				2020-21				2021-22			
Quarter	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4
Planning					X	X	X	X	X															
Project Design									X	X	X													
Right-of-Way Acquisition & Permitting																								
Construction													X	X	X	X								
Project Closeout																	X	X						

Operating Cost Impacts

As part of the Recreation and Community Services Department, the Aquatics Center operations balance cost recovery and community access. The Outdoor Sports Center, is operated via a concessionaire contract with the Morgan Hill Youth Sports Alliance. The current agreement provides the City with a net positive revenue. The additional costs of maintaining additional parking facilities would be incorporated into the annual operations of these areas and anticipated to support cost recovery.

CITY OF MORGAN HILL

CAPITAL IMPROVEMENT PROGRAM

Project	Agricultural Preservation	Project No.	140016
Category	Parks & Recreation	Department	CSD & CDD
Council Priorities	Planning Our Community	Location	Citywide



Project Description

The City-wide Agricultural Lands Preservation Program provides for the acquisition of agricultural conservation easements. In March of 2016, the City Council renamed the existing Open Space Fund to the "Agriculture and Open Space Preservation Fund" and dedicated \$6,000,000 in funding for the acquisition of these easements. The City will be engaging a consultant to implement the program and support acquisition efforts. City staff will continue to work with the County of Santa Clara and the Open Space Authority to coordinate efforts on the regional "Sustainable Agricultural Lands Policy Framework for Southern Santa Clara County.

This project accounts for the City spending \$1,000,000 per year over the next six years on agricultural conservation easements. This allocation would also include funding for any required mitigation for City facilities developed on agricultural lands.

Project Justification

This project has been identified in the City's Parks and Recreation Facilities Master Plan. The City has identified the preservation of agricultural lands within the City's Sphere of Influence ("SOI") as an important City objective. The acquisition of agricultural conservation easements is an important element of this program.

CITY OF MORGAN HILL
CAPITAL IMPROVEMENT PROGRAM

Expenditure Schedule & Category

Parks & Recreation: 140016

	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22
86120 - Property Acquisition	\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000
FUNDING TOTALS	\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000

Funding Sources

Funding Category	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22
f306 - Agriculture & Open Space Preservation	\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000
PROJECT COST	\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000

Estimated Project Schedule

	2016-17				2017-18				2018-19				2019-20				2020-21				2021-22			
Quarter	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4
Planning	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X
Project Design																								
Right-of-Way Acquisition & Permitting	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X
Construction																								
Project Closeout																								

Operating Cost Impacts

The purchase of agricultural preservation easements is not expected to create any additional long term operating costs for the City.

CITY OF MORGAN HILL

CAPITAL IMPROVEMENT PROGRAM

Project	Galvan Park Improvements	Project No.	141016
Category	Parks & Recreation	Department	Community Services
Council Priorities	Enhancing Public Safety, Supporting Youth	Location	Galvan Park



Project Description

The Galvan Park Project will be funded through a combination of Housing Related Park Grant Funds and Community Development Block Grant Funds (CDBG). The CDBG capital funds can only be spent in areas that meet certain demographic qualifications. Galvan Park has been the focus of the CDBG Capital Program due to its unique eligibility based on location. Enhancements that occur in past years included the addition of a walking path, a new BBQ area, new play equipment, construction of a playground area, and lighting improvements in the park. Projects for FY 16/17 will include relocation and addition of handball courts, improved lighting and park fitness equipment.

Housing related Parks Grant funds total \$185,000 (\$111,000 awarded and \$74,000 anticipated from the next grant cycle in FY 16/17). The City has \$70,000 remaining in CDBG funds for use on this project in FY 16/17.

Grant in the amount of \$185,000 is anticipated for FY 16/17.

Project Justification

CDBG funds are to be used to benefit low income areas. Galvan Park, which lies near the City's downtown is eligible for these funds under the guidelines of the CDBG program. The park improvements meet the Council's goal of supporting youth in the community. CDBG funding will no longer be available for parks beyond FY 16/17.

CITY OF MORGAN HILL
CAPITAL IMPROVEMENT PROGRAM

Expenditure Schedule & Category

Parks & Recreation: 141016

	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22
86360 - Construction	\$245,000					
86530 - Project Implementation	\$10,000					
FUNDING TOTALS	\$255,000					

Funding Sources

Funding Category	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22
f215 - HCD Fund	\$70,000					
f301 - Park Impact Fund	\$185,000					
PROJECT COST	\$255,000					

Estimated Project Schedule

	2016-17				2017-18				2018-19				2019-20				2020-21				2021-22			
Quarter	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4
Planning																								
Project Design		X																						
Right-of-Way Acquisition & Permitting																								
Construction		X	X																					
Project Closeout				X																				

Operating Cost Impacts

The planned improvements would not significantly increase maintenance costs for the park site.

CITY OF MORGAN HILL CAPITAL IMPROVEMENT PROGRAM

Project	Fire Station on Butterfield	Project No.	250014
Category	Public Facilities	Department	Public Works
Council Priorities	Enhancing Public Safety	Location	Butterfield Blvd. btwn Main & Diana



Project Description

It is recommended that a Public Safety Master Plan be created in FY 15/16 to be paid for out of the Public Safety Operations budget. The Master Plan will provide guidance on the scope of the future fire station. Preliminary scoping and design are anticipated to begin in FY 19/20. According to the recently executed Government Use Dedication Agreement, the City agreed to complete the construction of a fire station on the Butterfield site no later than 10 years from the date of the agreement. Pending the findings of the Public Safety Master Plan, the construction will happen in FY 18/19.

The Fire Station Site currently houses the City's temporary Community Garden. The Community Services Department is currently working with the Morgan Hill Community Garden group to find an alternate location ahead of the scheduled construction.

Project Justification

As the community grows, there will be a need for a new fire station.

CITY OF MORGAN HILL
CAPITAL IMPROVEMENT PROGRAM

Expenditure Schedule & Category

Public Facilities: 250014

	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22
86220 - Architecture and Design				\$120,000	\$50,000	
86360 - Construction					\$2,900,000	
86530 - Project Implementation				\$30,000	\$40,000	
FUNDING TOTALS				\$150,000	\$2,990,000	

Funding Sources

Funding Category	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22
f313 - Fire Impact Fund				\$150,000	\$2,990,000	
PROJECT COST				\$150,000	\$2,990,000	

Estimated Project Schedule

	2016-17				2017-18				2018-19				2019-20				2020-21				2021-22			
Quarter	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4
Planning													X											
Project Design													X	X	X	X								
Right-of-Way Acquisition & Permitting																								
Construction																	X	X	X	X	X			
Project Closeout																						X		

Operating Cost Impacts

It is estimated that the cost to operate a fully staffed fire station is between \$2.5 and \$3.0M annually.

CITY OF MORGAN HILL

CAPITAL IMPROVEMENT PROGRAM

Project	Library Expansion	Project No.	251015
Category	Public Facilities	Department	Public Works
Council Priorities	Supporting Youth	Location	Morgan Hill Library (DeWitt & Main)



Project Description

The Friends of the Morgan Hill Library sponsored a space needs assessment study to address the expansion of the Morgan Hill Library to meet growing program needs. Santa Clara County operates the Library and has collaborated with the City to layout a phased expansion and tenant improvement plan that could ultimately increase the size of the facility by 10,600 SF and improve the services the library provides to the community. County Library representatives and the Friends of the Morgan Hill Library have provided the following list of programs/activities and the associated improvements needed to address them:

- o Phase I: Children's area, storytime, reading garden & bookstore: 4,900 SF of new space, 1,480 SF of new landscaping and 1,220 SF of interior improvements.
- o Phase II: Staff administrative needs, additional storage & larger program area: 2,250 SF of new space and 4,400 SF of interior improvements.
- o Phase III: Adult book stacks & quiet reading: 3,400 SF of new space and 330 SF of interior improvements.

Based on feedback from the Friends of the Morgan Hill Library and the County, priority will be given to Phase I and Phase II with construction commencing in FY 17/18. Phase III construction is anticipated to commence in FY 19/20.

Sufficient Library Impact Funds are available to complete Phase I & II. Any shortfall will be made up with a

CITY OF MORGAN HILL

CAPITAL IMPROVEMENT PROGRAM

temporary interfund loan. Phase III will be put on hold until sufficient revenues are generated. Total project cost of all phases is estimated to be \$5.1 million.

Project Justification

The expansion and tenant improvement program is required to meet the future library and community service needs of the Morgan Hill community. The Library was opened in 2007 and has seen a growing demand in children's programs and adult reading areas that cannot be met in the space provided within the existing facility. In addition, after having a few years of operating experience, the staff at the Library has identified better and more efficient uses of the space inside the existing facility that will require reconfiguration.

CITY OF MORGAN HILL
CAPITAL IMPROVEMENT PROGRAM

Expenditure Schedule & Category

Public Facilities: 251015

	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22
86200 - Professional Services		\$200,000				
86201 - Environmental Clearances	\$10,000					
86220 - Architecture and Design	\$65,000	\$20,000				
86360 - Construction		\$3,000,000				
86530 - Project Implementation	\$40,000	\$110,000				
FUNDING TOTALS	\$115,000	\$3,330,000				

Funding Sources

Funding Category	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22
f348 - Library Impact Fund	\$115,000	\$3,330,000				
PROJECT COST	\$115,000	\$3,330,000				

Estimated Project Schedule

	2016-17				2017-18				2018-19				2019-20				2020-21				2021-22			
Quarter	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4
Planning	X	X	X																					
Project Design		X	X	X	X																			
Right-of-Way Acquisition & Permitting																								
Construction					X	X	X	X	X															
Project Closeout									X															

Operating Cost Impacts

The County is responsible for interior expense and responsible to pay for any increase.

CITY OF MORGAN HILL CAPITAL IMPROVEMENT PROGRAM

Project	Corporation Yard Long Term Plan	Project No.	252016
Category	Public Facilities	Department	PWD & CSD
Council Priorities	Fiscal Responsibility, Planning Our Community, Enhancing Our Services	Location	100 Edes Court



Project Description

The City's Corporation Yard is located at the end of Edes Court adjacent to prime recreation facilities such as Community Park, the Centennial Recreation Center, and the skate park. The Corporation Yard is part of a 6 acre fully improved facility shared by the City's Public Works, Community Services, and Police Departments and the Morgan Hill Unified School District Transportation yard. The School District leases approximately 4 acres of the site from the City for bus parking, maintenance, and transportation office space. For most of the remaining site, the traditional City Corporation Yard houses the maintenance personnel, equipment, and material that provide utilities services and streets and parks maintenance services. The facility is made up of office space, training room space, interior and exterior materials storage bays, fleet parking, and the command and control center for the utilities operations. The City commissioned a Corporation Yard Master Plan in 2003 and it determined that the site currently used for the traditional yard activities will not suffice for the (at the time) 20-year horizon.

Given that the School District is seeking a new transportation Yard and that both the School District and the City have expressed an interest in sharing a Corporation Yard on a long term basis, the need for a new Corporation Yard is present. The first step in finding a suitable site for the joint corporation yard is to perform a needs and space assessment for both agencies. In FY 16/17 a space needs assessment will be conducted with both agencies sharing in the cost. The City will take the lead on the study and collaborate with the School District.

Project Justification

The City's Community Services and Public Works Departments will eventually outgrow the existing Corporation Yard space if left with the portion it occupies now.

CITY OF MORGAN HILL
CAPITAL IMPROVEMENT PROGRAM

Expenditure Schedule & Category

Public Facilities: 252016

	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22
86220 - Architecture and Design	\$120,000					
86530 - Project Implementation	\$20,000					
FUNDING TOTALS	\$140,000					

Funding Sources

Funding Category	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22
f347 - Public Facilities Impact Fund	\$140,000					
PROJECT COST	\$140,000					

Estimated Project Schedule

	2016-17				2017-18				2018-19				2019-20				2020-21				2021-22			
Quarter	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4
Planning	X	X	X																					
Project Design				X																				
Right-of-Way Acquisition & Permitting																								
Construction																								
Project Closeout																								

Operating Cost Impacts

The Corporation Yard Master Plan will not impact operations costs.

CITY OF MORGAN HILL

CAPITAL IMPROVEMENT PROGRAM

Project	Storm Pipe Installation	Project No.	415097
Category	Storm Drainage	Department	Public Works
Council Priorities	Enhancing Public Safety, Protecting the Environment	Location	Citywide



Project Description

Construction of storm drains, storm inlets and other miscellaneous improvements at various locations in the city to address localized chronic drainage problems. Identified locations are first analyzed to determine if minimum measures can be taken to alleviate drainage issues. Then, determine if adding more drainage facilities that will connect to adjacent regional drainage pipes and channels will solve the localized problem. For example, many localized drainage problems lying in the Upper Llagas Creek watershed (and, thus, in the 100-year FEMA flood plain) are unable to be resolved with additional drainage facilities due to the current limited capacity in the Upper Llagas Creek channel. Areas of focus include the Burnett Avenue/Monterey Road intersection, the Llagas Creek Drive/Shadowbrook Way/Stoney Creek Way neighborhood, and the Church Street and E. Dunne Avenue area. Additional areas may also be considered.

The funding source for these localized drainage projects has been Fund 304, Non-AB 1600 drainage fees collected from residential developers who had chosen to make monetary contribution to gain additional points in the RDCS scoring criteria. That criteria is no longer available to developers for scoring points which means the City will no longer have this revenue source to contribute to Fund 304. Funds will be programmed in the out years spending down the fund balance to accomplish projects.

Project Justification

Local flooding can cause damage to public and private property and may present safety issues.

CITY OF MORGAN HILL
CAPITAL IMPROVEMENT PROGRAM

Expenditure Schedule & Category

Storm Drainage: 415097

	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22
86220 - Architecture and Design	\$40,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000
86360 - Construction		\$120,000	\$120,000	\$120,000	\$120,000	\$120,000
86530 - Project Implementation	\$10,000	\$20,000	\$20,000	\$20,000	\$20,000	\$20,000
FUNDING TOTALS	\$50,000	\$150,000	\$150,000	\$150,000	\$150,000	\$150,000

Funding Sources

Funding Category	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22
f304 - Drainage (NonAB1600) Fund	\$50,000	\$150,000	\$150,000	\$150,000	\$150,000	\$150,000
PROJECT COST	\$50,000	\$150,000	\$150,000	\$150,000	\$150,000	\$150,000

Estimated Project Schedule

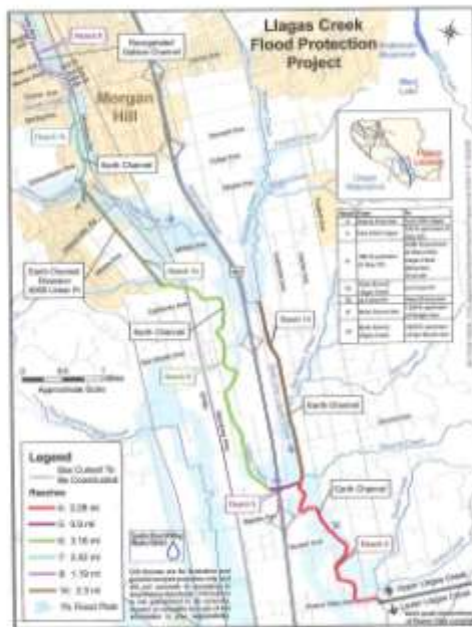
	2016-17				2017-18				2018-19				2019-20				2020-21				2021-22			
Quarter	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4
Planning	X	X			X	X			X	X			X	X			X	X			X	X		
Project Design			X			X				X				X				X				X		
Right-of-Way Acquisition & Permitting																								
Construction				X			X				X				X				X				X	
Project Closeout																								

Operating Cost Impacts

As local drainage problems are repaired or improved, maintenance costs are reduced during rain events.

CITY OF MORGAN HILL CAPITAL IMPROVEMENT PROGRAM

Project	Llagas Flood Control	Project No.	417099
Category	Storm Drainage	Department	Public Works
Council Priorities	Enhancing Public Safety, Protecting the Environment	Location	West Little Llagas Creek in Morgan Hill



Project Description

This project addresses storm water conveyance infrastructure that drains into the Upper Llagas Creek Flood Protection Project (ULCFPP) and the West Little Llagas watershed. The ULCFPP is a \$120M project to build channels, underground conduits, tunnels, and bridges to capture the flood waters from a 100-year storm in Morgan Hill and eliminate the recurring flooding in the downtown and other parts of the City lying in the West Little Llagas Creek watershed. The design is now 90% complete. The southerly Morgan Hill section (Reaches 7 and 7A) will begin construction in the summer of 2017. The northerly segment (Reach 8), including downtown Morgan Hill, is scheduled to be completed in the 2020 timeframe, assuming sufficient construction funds are acquired. Staff will coordinate with the Santa Clara Valley Water District to construct City-owned drainage infrastructure in a manner that provides flood protection when the ULCFPP is completed.

Project Justification

The ULCFPP is critical to alleviating the persistent flooding in Morgan Hill. In addition, the project will allow for a re-mapping of the FEMA flood plain in the City with the likely result that many properties will be removed from the 100-year floodplain and the mandatory flood insurance that goes with lying in the floodplain. The ULCFPP continues to be on the list of Council goals and priorities.

CITY OF MORGAN HILL
CAPITAL IMPROVEMENT PROGRAM

Expenditure Schedule & Category

Storm Drainage: 417099

	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22
86200 - Professional Services			\$40,000	\$40,000		
86220 - Architecture and Design			\$150,000			
86360 - Construction			\$2,000,000	\$2,500,000		
86530 - Project Implementation		\$20,000	\$150,000	\$250,000	\$100,000	
FUNDING TOTALS		\$20,000	\$2,340,000	\$2,790,000	\$100,000	

Funding Sources

Funding Category	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22
f303 - Drainage Impact Fund		\$20,000	\$2,340,000	\$2,790,000	\$100,000	
f304 - Drainage (NonAB1600) Fund						
f317 - RDA Fund						
PROJECT COST		\$20,000	\$2,340,000	\$2,790,000	\$100,000	

Estimated Project Schedule

	2016-17				2017-18				2018-19				2019-20				2020-21				2021-22			
Quarter	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4
Planning								X																
Project Design									X	X	X		X	X	X									
Right-of-Way Acquisition & Permitting									X	X			X	X	X									
Construction									X	X	X	X	X	X	X	X	X	X						
Project Closeout																					X			

Operating Cost Impacts

Costs to operate and maintain the Upper Llagas Creek Flood Protection Project will be borne by the Santa Clara Valley Water District. Costs to maintain local drainage facilities constructed in FY's 17-18 and 18-19 will be borne by the City. Those costs are unknown at this time but will be off-set by a reduction in O&M costs due to elimination of flooding in streets, once projects are completed.

CITY OF MORGAN HILL CAPITAL IMPROVEMENT PROGRAM

Project	New Signal Construction	Project No.	502000
Category	Streets & Roads	Department	Public Works
Council Priorities	Enhancing Public Safety	Location	Citywide



Project Description

New traffic signals are installed as needed to meet growing traffic demands and existing signals are periodically upgraded. In FY 16/17, a new traffic signal will be installed at the intersection of Monterey Road and Fourth Street. In FY 17/18, and beyond, intersections of major arterials will be studied to determine improvements that would increase capacity and/or efficiency of vehicle movements. New signals will be considered where traffic volumes warrant the need.

Project Justification

New signals, when warranted, provide for a more efficient movement of traffic and improve pedestrian safety.

CITY OF MORGAN HILL
CAPITAL IMPROVEMENT PROGRAM

Expenditure Schedule & Category

Streets & Roads: 502000

	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22
86220 - Architecture and Design	\$30,000		\$35,000		\$40,000	
86360 - Construction	\$180,000		\$400,000		\$450,000	
86530 - Project Implementation	\$40,000		\$45,000		\$50,000	
FUNDING TOTALS	\$250,000		\$480,000		\$540,000	

Funding Sources

Funding Category	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22
f309 - Traffic Impact Fund	\$25,000					
f346 - Public Facilities (NonAB1600) Fund	\$225,000		\$480,000		\$540,000	
PROJECT COST	\$250,000		\$480,000		\$540,000	

Estimated Project Schedule

	2016-17				2017-18				2018-19				2019-20				2020-21				2021-22			
Quarter	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4
Planning	X																							
Project Design	X	X							X	X							X	X						
Right-of-Way Acquisition & Permitting																								
Construction			X	X					X	X							X	X						
Project Closeout				X					X								X							

Operating Cost Impacts

Maintenance of new traffic signal to be performed by Community Services Maintenance Division at an estimated additional annual operating cost of \$1,500 per signal.

CITY OF MORGAN HILL

CAPITAL IMPROVEMENT PROGRAM

Project	Underground Monterey Utilities	Project No.	512093
Category	Streets & Roads	Department	Public Works
Council Priorities	Enhancing Public Safety	Location	Monterey Rd (Dunne to 600' N. of Cosmo)



Project Description

This PG&E Rule 20A project will underground the overhead utility lines along Monterey Road from Dunne Avenue to approximately 500 feet south of Spring Avenue. The undergrounding district has been formed for the project.

Construction is anticipated to begin in the Summer of 2016 using \$2.75 million of Rule 20A funding and be completed within six months. PG&E has agreed to pay for the conversion costs to each individual customer affected by the project. Verizon and Charter will work separately from the City and PG&E to complete their portion of work.

Rule 20A funds are held by PG&E. PG&E will provide one-half of the necessary funds up front to get the project started. The City will then invoice PG&E for contractor progress payments. PG&E is requesting an additional \$300,000 to cover for PG&E's project contingency in order to be fully funded for this work.

Project Justification

The undergrounding of utilities will improve both the aesthetics and safety along Monterey Road.

CITY OF MORGAN HILL
CAPITAL IMPROVEMENT PROGRAM

Expenditure Schedule & Category

Streets & Roads: 512093

	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22
86360 - Construction	\$300,000					
86530 - Project Implementation	\$40,000					
FUNDING TOTALS	\$340,000					

Funding Sources

Funding Category	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22
f346 - Public Facilities (NonAB1600) Fund	\$325,000					
f643 - Sewer CIP Fund	\$8,000					
f653 - Water CIP Fund	\$7,000					
PROJECT COST	\$340,000					

Estimated Project Schedule

	2016-17				2017-18				2018-19				2019-20				2020-21				2021-22			
Quarter	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4
Planning																								
Project Design	X	X																						
Right-of-Way Acquisition & Permitting																								
Construction		X	X																					
Project Closeout				X																				

Operating Cost Impacts

There are no operating budget impacts.

CITY OF MORGAN HILL CAPITAL IMPROVEMENT PROGRAM

Project	Pavement Rehabilitation Program	Project No.	519000
Category	Streets & Roads	Department	Public Works
Council Priorities	Enhancing Public Safety	Location	Citywide



Project Description

This ongoing program is intended to address the City's pavement rehabilitation needs. Locations for maintenance are selected based on recent Pavement Management Program (PMP) data and field observations from Street Maintenance crews. Projects by Fiscal Year:

- o FY16/17: Overlay Monterey Rd (Dunne to East Middle), guardrail installation on Thomas Grade, slurry and crack seal work in Jackson Meadows neighborhoods.
- o FY17/18: Overlay East Dunne Avenue (Hill to Thomas Grade), Overlay Monterey Road (Tilton to Peebles), slurry and crack seal in Central Park, Morgan Lane, and Kendall Hill neighborhoods.
- o FY18/19: Street maintenance locations to be determined following update of the City's Pavement Management Program in the Spring of 2017.

Project Justification

Extends the surface life of streets, thus reducing repair costs in the future. The 2016 Pavement Management Program (PMP) update recommends needed rehabilitation of \$3.9 million per year to maintain the City's current pavement condition index (PCI) of 67, though the deferred maintenance backlog will increase from \$25.2 million to \$30.7 million. The latest PMP report indicated a need to invest \$6.0 million annually to increase the PCI from 67 to 72 and stabilize the backlog at \$22.9 million by FY 20-21.

CITY OF MORGAN HILL
CAPITAL IMPROVEMENT PROGRAM

Expenditure Schedule & Category

Streets & Roads: 519000

	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22
86220 - Architecture and Design	\$72,000	\$72,000	\$72,000	\$72,000	\$72,000	\$72,000
86360 - Construction	\$1,873,000	\$1,223,000	\$1,228,000	\$483,000	\$488,000	\$488,000
86530 - Project Implementation	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000
FUNDING TOTALS	\$1,995,000	\$1,345,000	\$1,350,000	\$605,000	\$610,000	\$610,000

Funding Sources

Funding Category	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22
f308 - Street CIP	\$1,995,000	\$1,345,000	\$1,350,000	\$605,000	\$610,000	\$610,000
PROJECT COST	\$1,995,000	\$1,345,000	\$1,350,000	\$605,000	\$610,000	\$610,000

Estimated Project Schedule

	2016-17				2017-18				2018-19				2019-20				2020-21				2021-22			
Quarter	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4
Planning																								
Project Design	X				X				X				X				X				X			
Right-of-Way Acquisition & Permitting																								
Construction			X	X		X	X		X	X			X	X			X	X			X	X		
Project Closeout				X			X		X				X				X				X			

Operating Cost Impacts

Pavement rehabilitation reduces overall maintenance cost as affected streets are improved.

CITY OF MORGAN HILL CAPITAL IMPROVEMENT PROGRAM

Project	Hale Avenue Extension	Project No.	546007
Category	Streets & Roads	Department	Public Works
Council Priorities	Enhancing Public Safety	Location	Hale Ave (from Main Ave to Spring Ave)



Project Description

Construct Hale Avenue between Main Avenue and DeWitt Avenue. This portion of the larger Santa Teresa corridor does not currently exist but would provide a north-south arterial roadway alternative west of Monterey Road through the downtown. The Hale Avenue extension is designed as a two lane (one in each direction) multi-modal roadway. The project is 85% designed. To complete the project it will be necessary to finish the design, purchase the necessary right-of-way, complete the CEQA processing, and build the roadway. In FY 15/16, the City hired a consultant to prepare the necessary CEQA studies for the project. They are expected to be complete in January 2017. For FY 16/17, staff will focus on finalizing the design and purchasing right of way from willing sellers.

This project falls on the "Needed But Not Funded" list due to a shortfall of funding. Available Traffic Impact funds will provide only 30% of required funding. To complete the project, a supplemental funding source will be necessary. The project is being positioned to be a candidate for an eligible project in a County-wide transportation ballot measure in November 2016. Should that measure succeed, proceeds will be available to provide the 70% funding gap to complete the project. Staff will be utilizing Traffic Impact Funds to get the project as "shovel ready" as possible. The timing of construction is dependent on the results and terms of the proposed ballot measure.

Project Justification

The Hale Avenue extension is included in the City's General Plan Circulation Element and will provide relief for congestion along Monterey Road through the downtown and relief for the residential areas west of the downtown that now bear the burden of commute and pass-through traffic. The roadway will also have bike lanes and pedestrian walkways to accommodate other modes of transportation.

CITY OF MORGAN HILL
CAPITAL IMPROVEMENT PROGRAM

Expenditure Schedule & Category

Streets & Roads: 546007

	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22
86121 - Right-of-Way Acquisition	\$500,000	\$1,255,000				
86200 - Professional Services	\$80,000	\$40,000				
86220 - Architecture and Design	\$250,000	\$50,000				
86230 - Legal Services	\$25,000	\$80,000				
86360 - Construction		\$1,500,000				
86530 - Project Implementation	\$60,000	\$60,000	\$150,000			
FUNDING TOTALS	\$915,000	\$2,985,000	\$150,000			

Funding Sources

Funding Category	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22
f309 - Traffic Impact Fund	\$915,000	\$2,985,000	\$150,000			
PROJECT COST	\$915,000	\$2,985,000	\$150,000			

Estimated Project Schedule

	2016-17				2017-18				2018-19				2019-20				2020-21				2021-22			
Quarter	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4
Planning	X	X																						
Project Design	X	X	X																					
Right-of-Way Acquisition & Permitting	X	X	X	X	X	X	X	X																
Construction							X	X	X	X														
Project Closeout											X													

Operating Cost Impacts

Additional lane miles added to the street maintenance inventory. One new traffic signal will also be added to the Streets Division inventory.

CITY OF MORGAN HILL

CAPITAL IMPROVEMENT PROGRAM

Project	RDCS School Safety Improvements	Project No.	551008
Category	Streets & Roads	Department	Public Works
Council Priorities	Enhancing Public Safety, Supporting Youth	Location	Near Schools



Project Description

Construct school pedestrian safety improvements in the public right of way in accordance with the Residential Development Control System (RDCS) ordinance. Locations and scope will be determined in collaboration with the local schools, utilizing studies and maps. Projects can include crosswalk enhancements, flashing signage, and other improvements to facilitate safe access for students to and from schools.

Projects will also include decorative crosswalks for the local schools to improve safety and engage our youth in the design, and \$100,000 has been allocated each year for three fiscal years from FY 16/17 to FY 18/19.

Project Justification

School Pedestrian Safety Fund 355 fees collected from developers throughout the RDCS process are to be allocated for construction of school safety projects.

CITY OF MORGAN HILL
CAPITAL IMPROVEMENT PROGRAM

Expenditure Schedule & Category

Streets & Roads: 551008

	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22
86220 - Architecture and Design	\$25,000	\$30,000	\$20,000	\$20,000	\$20,000	\$20,000
86360 - Construction	\$300,000	\$450,000	\$350,000	\$250,000	\$250,000	\$250,000
86530 - Project Implementation	\$20,000	\$50,000	\$20,000	\$20,000	\$20,000	\$20,000
FUNDING TOTALS	\$345,000	\$530,000	\$390,000	\$290,000	\$290,000	\$290,000

Funding Sources

Funding Category	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22
f355 - School Pedestrian & Traffic Safety	\$345,000	\$530,000	\$390,000	\$290,000	\$290,000	\$290,000
PROJECT COST	\$345,000	\$530,000	\$390,000	\$290,000	\$290,000	\$290,000

Estimated Project Schedule

	2016-17				2017-18				2018-19				2019-20				2020-21				2021-22			
Quarter	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4
Planning																								
Project Design	X	X			X	X			X	X			X	X			X	X			X	X		
Right-of-Way Acquisition & Permitting																								
Construction		X	X			X	X			X	X			X	X			X	X			X	X	
Project Closeout				X				X				X			X				X					X

Operating Cost Impacts

Additional maintenance costs to Community Services Maintenance Division will be minimal.

CITY OF MORGAN HILL CAPITAL IMPROVEMENT PROGRAM

Project	Monterey Road Medians	Project No.	561012
Category	Streets & Roads	Department	Public Works
Council Priorities	Enhancing Public Safety	Location	Monterey Rd. South of Dunne Ave



Project Description

Construct new medians in Monterey Road between Dunne and Cosmo Avenues . Medians are to be raised with curb and gutter and landscaped to match the character of the downtown medians north of Dunne Avenue. Construction of medians to happen in FY16/17.

Project Justification

Completion of the new medians south of Dunne Avenue is in accordance with the City Council's direction to extend the downtown place-making efforts south of Dunne Avenue. The project will also provide a permanent and safer median in front of the local Post Office.

CITY OF MORGAN HILL
CAPITAL IMPROVEMENT PROGRAM

Expenditure Schedule & Category

Streets & Roads: 561012

	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22
86530 - Project Implementation	\$40,000					
FUNDING TOTALS	\$40,000					

Funding Sources

Funding Category	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22
f309 - Traffic Impact Fund	\$40,000					
PROJECT COST	\$40,000					

Estimated Project Schedule

	2016-17				2017-18				2018-19				2019-20				2020-21				2021-22			
Quarter	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4
Planning																								
Project Design																								
Right-of-Way Acquisition & Permitting																								
Construction	X	X																						
Project Closeout				X																				

Operating Cost Impacts

New median landscaping will require additional O&M costs of approximately \$2,000 per year.

CITY OF MORGAN HILL CAPITAL IMPROVEMENT PROGRAM

Project	Assessment District - Streets	Project No.	563013
Category	Streets & Roads	Department	Public Works
Council Priorities	Enhancing Public Safety	Location	Assessment Districts



Project Description

Funds collected from several legacy assessment districts will be used to construct maintenance-related public improvements. Eligible street improvements include the construction of streets and their related ancillary elements like signage, signalization, and landscaping. Due to the wide variety of locations eligible for this funding, the scope will be addressed by multiple smaller projects using the Informal Bidding process.

Project Justification

Specific needed improvements have been identified in every district that will accomplish infrastructure upgrades serving the related developments.

CITY OF MORGAN HILL
CAPITAL IMPROVEMENT PROGRAM

Expenditure Schedule & Category

Streets & Roads: 563013

	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22
86220 - Architecture and Design	\$45,000					
86360 - Construction	\$600,000					
86530 - Project Implementation	\$60,000					
FUNDING TOTALS	\$705,000					

Funding Sources

Funding Category	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22
f308 - Street CIP	\$705,000					
PROJECT COST	\$705,000					

Estimated Project Schedule

	2016-17				2017-18				2018-19				2019-20				2020-21				2021-22			
Quarter	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4
Planning	X																							
Project Design	X	X																						
Right-of-Way Acquisition & Permitting																								
Construction			X	X	X																			
Project Closeout					X																			

Operating Cost Impacts

Reduced street maintenance expenses for many years in most districts. Increased expenses for traffic signal battery maintenance in some districts.

CITY OF MORGAN HILL CAPITAL IMPROVEMENT PROGRAM

Project	Parking Lot Maintenance & Rehabilitation	Project No.	568014
Category	Streets & Roads	Department	Community Services
Council Priorities	Enhancing Public Safety	Location	Citywide



Project Description

The City owns parking lots in the Downtown and throughout the community at parks and public facilities. These lots require periodic slurry sealing and restriping which will be addressed on a rotational basis each year. For FY16/17, the parking lots at the Aquatics Center and the Downtown 2nd to 3rd Street Lot are scheduled to be addressed.

In FY 17/18 the lots at the Centennial Recreation Center (CRC), Paradise Park, and Depot Street are scheduled.

Project Justification

Maintaining parking lot surfaces is a required maintenance activity.

CITY OF MORGAN HILL
CAPITAL IMPROVEMENT PROGRAM

Expenditure Schedule & Category

Streets & Roads: 568014

	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22
86360 - Construction	\$40,000	\$40,000	\$40,000	\$40,000	\$40,000	\$40,000
FUNDING TOTALS	\$40,000	\$40,000	\$40,000	\$40,000	\$40,000	\$40,000

Funding Sources

Funding Category	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22
f346 - Public Facilities (NonAB1600) Fund	\$40,000	\$40,000	\$40,000	\$40,000	\$40,000	\$40,000
PROJECT COST	\$40,000	\$40,000	\$40,000	\$40,000	\$40,000	\$40,000

Estimated Project Schedule

	2016-17				2017-18				2018-19				2019-20				2020-21				2021-22			
Quarter	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4
Planning	X				X				X				X				X				X			
Project Design																								
Right-of-Way Acquisition & Permitting																								
Construction	X	X			X	X			X	X			X	X			X	X			X	X		
Project Closeout																								

Operating Cost Impacts

This project directly addresses maintenance needs. In addition, the slurry sealing of asphalt protects the surface from water, extends its life, and reduces long-term maintenance expenses.

CITY OF MORGAN HILL CAPITAL IMPROVEMENT PROGRAM

Project	Charging Stations - CCC/AC/CRC	Project No.	570014
Category	Streets & Roads	Department	Public Works
Council Priorities	Protecting the Environment	Location	CCC/AC/CRC



Project Description

Install three Level 2 plug in electric vehicle (PEV) charging stations for FY 16/17. The PEV charging stations will be installed at the Community and Cultural Center (CCC), Dennis Kennedy Aquatics Center (AC), and the Centennial Recreation Center (CRC). Each charging station will be able to charge two vehicles at a time. The electrical system at each facility will incorporate future expandability, so the costs to add future PEV stations will be minimal. For FY15/16, the City installed a total of five PEV charging stations at City owned facilities, with the capacity to charge eight vehicles. For FY 16/17, the City plans to install three more so each City owned facility will have at least one PEV charging station. For FY 18/19 and FY 20/21, staff will evaluate the need for additional PEV stations at each City owned facility to determine if more are needed.

The following amounts of the project costs are anticipated from the Transportation Fund for Clean Air (TFCA) Grant:

FY 16/17: \$18,000 for three additional PEV charging stations (2 charging ports per station)
FY 18/19: \$30,000 for five additional PEV charging stations (2 charging ports per station)
FY 20/21: \$30,000 for five additional PEV charging stations (2 charging ports per station)

The predicted total number of charging stations at City owned facilities at end of FY 20/21 could be as high as 18, with the capacity to charge 34 vehicles.

Project Justification

To support the growing use of plug-in electric vehicles within our community. The City will continue to apply for grant funds to help fund future projects and charge customers a nominal fee in order to recover costs associated with electricity use and projected maintenance.

CITY OF MORGAN HILL
CAPITAL IMPROVEMENT PROGRAM

Expenditure Schedule & Category

Streets & Roads: 570014

	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22
86220 - Architecture and Design	\$50,000		\$15,000		\$15,000	
86360 - Construction	\$180,000		\$60,000		\$60,000	
86530 - Project Implementation	\$60,000		\$10,000		\$10,000	
FUNDING TOTALS	\$290,000		\$85,000		\$85,000	

Funding Sources

Funding Category	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22
f347 - Public Facilities Impact Fund	\$290,000		\$85,000		\$85,000	
PROJECT COST	\$290,000		\$85,000		\$85,000	

Estimated Project Schedule

	2016-17				2017-18				2018-19				2019-20				2020-21				2021-22			
Quarter	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4
Planning	X	X	X	X																				
Project Design				X	X																			
Right-of-Way Acquisition & Permitting																								
Construction					X	X	X																	
Project Closeout								X																

Operating Cost Impacts

The PEV charging stations annual network service plan cost is \$255 per port (2 ports per station), for a total of \$1,530 per year. The City adopted a pilot program user fee to recover costs associated with electricity use and projected maintenance.

CITY OF MORGAN HILL CAPITAL IMPROVEMENT PROGRAM

Project	Sidewalk Repairs	Project No.	574015
Category	Streets & Roads	Department	Public Works
Council Priorities	Enhancing Public Safety	Location	Citywide



Project Description

The City has completed multiple sidewalk repair projects over the last four fiscal years. This newly established project moves Citywide sidewalk repairs into a single area for continued focus. This project provides for responsive annual sidewalk repair to the areas of highest need in the City.

Funding for FY 16/17 and FY 17/18 include funding for large citywide sidewalk projects at \$260,000 each year to repair major areas of the City. Funding of \$80,000 annually on an ongoing basis is provided to support high priority repairs throughout the entire City.

Project Justification

Continuous investment in sidewalks is necessary to provide for the safety for the City's residents.

CITY OF MORGAN HILL
CAPITAL IMPROVEMENT PROGRAM

Expenditure Schedule & Category

Streets & Roads: 574015

	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22
86360 - Construction	\$280,000	\$280,000	\$60,000	\$60,000	\$60,000	\$60,000
86530 - Project Implementation	\$60,000	\$60,000	\$20,000	\$20,000	\$20,000	\$20,000
FUNDING TOTALS	\$340,000	\$340,000	\$80,000	\$80,000	\$80,000	\$80,000

Funding Sources

Funding Category	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22
f355 - School Pedestrian & Traffic Safety	\$340,000	\$340,000	\$80,000	\$80,000	\$80,000	\$80,000
PROJECT COST	\$340,000	\$340,000	\$80,000	\$80,000	\$80,000	\$80,000

Estimated Project Schedule

	2016-17				2017-18				2018-19				2019-20				2020-21				2021-22			
Quarter	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4
Planning	X				X				X				X				X				X			
Project Design	X	X			X	X			X	X			X	X			X	X			X	X		
Right-of-Way Acquisition & Permitting																								
Construction		X	X			X	X			X	X			X	X			X	X			X	X	
Project Closeout				X				X				X				X				X				X

Operating Cost Impacts

The Community Services Maintenance team makes immediate emergency repairs to severely damaged sidewalks. The sidewalk improvement project reduces the number of repairs necessary and provides for maintenance resources to be utilized in other areas.

CITY OF MORGAN HILL CAPITAL IMPROVEMENT PROGRAM

Project	Sanitary Sewer Rehabilitation	Project No.	302000
Category	Wastewater	Department	Public Works
Council Priorities	Enhancing Public Safety, Maintaining Fiscal Responsibility	Location	Citywide



Project Description

The City's wastewater collection system requires an on-going program of evaluation, cleaning, improvement, and repairs. Eliminating trouble spots (areas in the system that demand a high level of effort and time from the flushing crews) is a priority for FY 16/17.

- o FY 16/17: Sewer main Upgrades Project consists of repairing "Trouble Spots" on Crest Lane, Lamar and Lindo Lane, and an a sewer access road for Oak Leaf Lane.
- o FY 17/18: Includes Monterey Rd: between Ciolino & Spring part of a Rule 20A Project

Project Justification

These repairs and improvements will improve the efficiency of the wastewater crews by reducing the time spent maintaining the wastewater collection system. Ultimately, these areas are more prone to sanitary sewer overflows (SSO). Repairing trouble spots reduces the City's risk of SSOs.

CITY OF MORGAN HILL
CAPITAL IMPROVEMENT PROGRAM

Expenditure Schedule & Category

Wastewater: 302000

	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22
86200 - Professional Services	\$35,000					
86220 - Architecture and Design	\$88,900	\$354,000	\$85,000	\$110,000	\$60,000	\$125,000
86360 - Construction	\$755,650	\$3,006,000	\$723,000	\$935,000	\$510,000	\$1,063,000
86530 - Project Implementation	\$44,450	\$177,000	\$42,000	\$55,000	\$30,000	\$62,000
FUNDING TOTALS	\$924,000	\$3,537,000	\$850,000	\$1,100,000	\$600,000	\$1,250,000

Funding Sources

Funding Category	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22
f643 - Sewer CIP Fund	\$924,000	\$3,537,000	\$850,000	\$1,100,000	\$600,000	\$1,250,000
PROJECT COST	\$924,000	\$3,537,000	\$850,000	\$1,100,000	\$600,000	\$1,250,000

Estimated Project Schedule

	2016-17				2017-18				2018-19				2019-20				2020-21				2021-22			
Quarter	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4
Planning																								
Project Design	X	X			X	X			X	X			X	X			X	X			X	X		
Right-of-Way Acquisition & Permitting																								
Construction			X	X			X	X			X	X			X	X			X	X			X	X
Project Closeout						X							X				X				X			

Operating Cost Impacts

The repairs and improvements in this Capital Project will reduce the possibility of SSOs and increase the efficiency of the Wastewater Division's flushing program. Rehabilitating the infrastructure listed in this year's program will extend the asset's life cycle.

CITY OF MORGAN HILL

CAPITAL IMPROVEMENT PROGRAM

Project	Sewer Plant Expansion (SCRWA)	Project No.	303093
Category	Wastewater	Department	Public Works
Council Priorities	Enhancing Public Safety, Maintaining Fiscal Responsibility	Location	Gilroy Treatment Plant



Project Description

The South County Regional Wastewater Authority (SCRWA) treatment plant is owned jointly by the cities of Morgan Hill and Gilroy. The plant's capacity is evaluated periodically to determine and plan for the future needs of both cities. A budget is developed by the plant's operating agent and approved by the agency's Board of Directors. The City is responsible for 41.9% of the costs shown below for the projects included in SCRWA's FY 2016 - FY 2021 Capital Improvement Budget (CIB). Total plant expansion cost is \$34.5 million, and the Morgan Hill share is \$14.5 million. The City currently has \$10.0 million available for this project but will need to plan to fund the additional \$4.5 in 2020/2021.

Major costs include the following projects:

Recycled Water Pump Stations: FY17=\$1,050,000

Plant Capacity Expansion: FY17=\$500,000, FY18=\$3,000,000, FY19=\$10,000,000, FY20=\$12,000,000, FY21=\$4,000,000

MH Share: FY17=\$693,000, FY18=\$1,279,000, FY19=\$4,152,000, FY20=\$3,053,000, FY21=\$1,684,000, FY22=\$421,000 (estimate based on available funds)

Project Justification

Future development will require that the plant treat a larger volume of wastewater. Preparation for meeting future wastewater treatment needs requires an on-going flow monitoring and plant expansion design and engineering program. The Plant Capacity Expansion costs are expected to escalate for the next 4 to 5 years as the plant expansion is completed.

CITY OF MORGAN HILL
CAPITAL IMPROVEMENT PROGRAM

Expenditure Schedule & Category

Wastewater: 303093

	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22
86360 - Construction	\$693,000	\$1,279,000	\$4,152,000	\$3,053,000	\$1,684,000	\$421,000
FUNDING TOTALS	\$693,000	\$1,279,000	\$4,152,000	\$3,053,000	\$1,684,000	\$421,000

Funding Sources

Funding Category	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22
f641 - Sewer Impact Fund	\$693,000	\$1,279,000	\$4,152,000	\$3,053,000	\$1,684,000	\$421,000
PROJECT COST	\$693,000	\$1,279,000	\$4,152,000	\$3,053,000	\$1,684,000	\$421,000

Estimated Project Schedule

	2016-17				2017-18				2018-19				2019-20				2020-21				2021-22			
Quarter	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4
Planning																								
Project Design	X	X	X	X	X	X	X	X	X	X	X	X												
Right-of-Way Acquisition & Permitting																								
Construction		X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X
Project Closeout																								

Operating Cost Impacts

Increased capacity will meet new user demand. The costs associated with increasing the capacity of the treatment plant will be paid by new users through the collection of development impact fees.

CITY OF MORGAN HILL CAPITAL IMPROVEMENT PROGRAM

Project	Sewer Plant Improvements	Project No.	303a11
Category	Wastewater	Department	Public Works
Council Priorities	Enhancing Public Safety, Maintaining Fiscal Responsibility	Location	Gilroy Treatment Plant



Project Description

Constructed in 1994, the South County Regional Wastewater Authority (SCRWA) treatment plant requires ongoing maintenance and improvement while also implementing new standards from the State Water Resources Control Board. Projects are identified in the biennial SCRWA budget and are funded through wastewater rate payers. Below are the major projects included in SCRWA's FY 15/16 budget- a complete listing of projects is included in SCRWA's 2016/17 biennial budget.

Aeration System (Partial) Secondary Clarifier (Partial)
SCADA Communication Network (Partial)
Maintenance Building (Partial)

The City of Morgan Hill is responsible for 42% of the cost of these projects in a total amount of \$8,525,000 which the City prepaid with bond proceeds.

Project Justification

Ongoing plant maintenance and repairs are performed to increase efficiency and reliability and necessary to maintain the plant's operating license.

CITY OF MORGAN HILL
CAPITAL IMPROVEMENT PROGRAM

Expenditure Schedule & Category

Wastewater: 303a11

	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22
86360 - Construction	\$1,183,000	\$80,000	\$80,000	\$80,000	\$230,000	\$13,000
FUNDING TOTALS	\$1,183,000	\$80,000	\$80,000	\$80,000	\$230,000	\$13,000

Funding Sources

Funding Category	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22
f641 - Sewer Impact Fund	\$633,000					
f643 - Sewer CIP Fund	\$550,000	\$80,000	\$80,000	\$80,000	\$230,000	\$13,000
PROJECT COST	\$1,183,000	\$80,000	\$80,000	\$80,000	\$230,000	\$13,000

Estimated Project Schedule

	2016-17				2017-18				2018-19				2019-20				2020-21				2021-22			
Quarter	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4
Planning																								
Project Design	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X					
Right-of-Way Acquisition & Permitting																								
Construction			X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X
Project Closeout																								

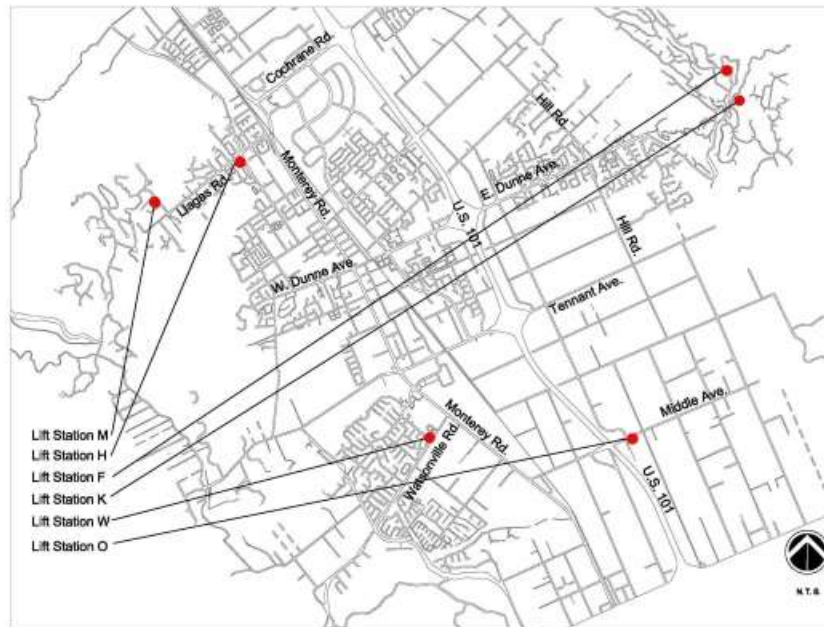
Operating Cost Impacts

The ongoing costs of this Capital Project program are expected to decline after peaking in FY 15/16. Much of the treatment plant's critical infrastructure will have been replaced. These replacement assets will reduce the likelihood of costly emergency repairs.

CITY OF MORGAN HILL

CAPITAL IMPROVEMENT PROGRAM

Project	Lift Station Improvements	Project No.	304000
Category	Wastewater	Department	Public Works
Council Priorities	Enhancing Public Safety, Maintaining Fiscal Responsibility	Location	Citywide



Project Description

The City's fourteen (14) lift stations are periodically repaired and upgraded as part of the ongoing maintenance program.

During FY 15/16 Lift Stations D, F, J, K & W repairs and upgrades were designed. FY 16/17 will see the construction of these five stations including coating the transfer wells, new motor assemblies, controls and electrical components. These improvements are necessary because each station was at the end of their life expectancy.

Lift Stations F-LS: Replace 900 LF Force Main: FY 16/17 - There are approximately 900' of force main, connected to Lift Station F that must be replaced as it is difficult to access and the piping is failing.

Project Justification

This ongoing program of rehabilitating the City's lift stations reduces overflows and ensures their compliance with the Regional Water Quality Control Board requirements. Replacing the Lift Station F force main for better access will allow crews to discover and respond faster to pipe failures in the future. The existing force main for Lift Station F has ruptured before, a signal that the pipeline has reached its end of life cycle.

CITY OF MORGAN HILL
CAPITAL IMPROVEMENT PROGRAM

Expenditure Schedule & Category

Wastewater: 304000

	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22
86200 - Professional Services	\$120,000	\$35,000				
86220 - Architecture and Design		\$95,000	\$20,000	\$25,000	\$168,000	
86360 - Construction	\$3,062,000	\$1,808,000	\$170,000	\$213,000	\$1,424,000	
86530 - Project Implementation		\$48,000	\$10,000	\$12,000	\$84,000	
FUNDING TOTALS	\$3,182,000	\$1,986,000	\$200,000	\$250,000	\$1,676,000	

Funding Sources

Funding Category	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22
f641 - Sewer Impact Fund	\$318,000	\$1,591,000	\$200,000	\$250,000	\$800,000	
f643 - Sewer CIP Fund	\$2,864,000	\$395,000			\$876,000	
PROJECT COST	\$3,182,000	\$1,986,000	\$200,000	\$250,000	\$1,676,000	

Estimated Project Schedule

	2016-17				2017-18				2018-19				2019-20				2020-21				2021-22			
Quarter	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4
Planning																								
Project Design	X	X			X	X			X	X			X	X			X	X						
Right-of-Way Acquisition & Permitting																								
Construction		X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X				
Project Closeout																								

Operating Cost Impacts

Investing in the lift station rehabilitation program ensures safety and reliability by minimizing the risk of sanitary sewer overflows and reduces the City's exposure to high cost emergency repairs.

CITY OF MORGAN HILL CAPITAL IMPROVEMENT PROGRAM

Project	New Trunk Line	Project No.	308a08
Category	Wastewater	Department	Public Works
Council Priorities	Enhancing Public Safety, Maintaining Fiscal Responsibility	Location	Morgan Hill to SCRWA Treatment Plant



Project Description

A parallel sewer trunk line is necessary to facilitate the City's planned growth. The project is staged over several years to span the distance between Morgan Hill and the SCRWA treatment plant. The treatment plant will complete a planned expansion by 2021. The new trunk line is scheduled to complete the last segment at that time.

FY 16/17: Design of approximately 21,000 Linear Feet of 30" Sewer Trunk Line from Highland Avenue to Las Animas Avenue.

FY 17/18: Construction of approximately 21,000 Linear Feet of 30" Sewer Trunk Line from Highland Avenue to Las Animas Avenue. Design of approximately 16,000 Linear Feet of 30" Sewer trunk Line from Las Animas Avenue to Renz Road.

Project Justification

The City's Master Plan anticipates a level of growth within the community. The rate of growth drives the need for expanded capacity in the sewer trunk line and the capacity of the SCRWA treatment plant. Cost for expanding capacity of the trunk line will be covered by the collection of sewer impact fees.

CITY OF MORGAN HILL
CAPITAL IMPROVEMENT PROGRAM

Expenditure Schedule & Category

Wastewater: 308ao8

	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22
86220 - Architecture and Design		\$294,000				
86360 - Construction	\$2,570,000	\$7,250,000			\$500,000	\$3,000,000
86530 - Project Implementation	\$75,000	\$147,000	\$127,000			
FUNDING TOTALS	\$2,645,000	\$7,691,000	\$127,000		\$500,000	\$3,000,000

Funding Sources

Funding Category	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22
f641 - Sewer Impact Fund	\$2,645,000	\$7,466,000	\$127,000		\$500,000	\$3,000,000
f643 - Sewer CIP Fund		\$225,000				
PROJECT COST	\$2,645,000	\$7,691,000	\$127,000		\$500,000	\$3,000,000

Estimated Project Schedule

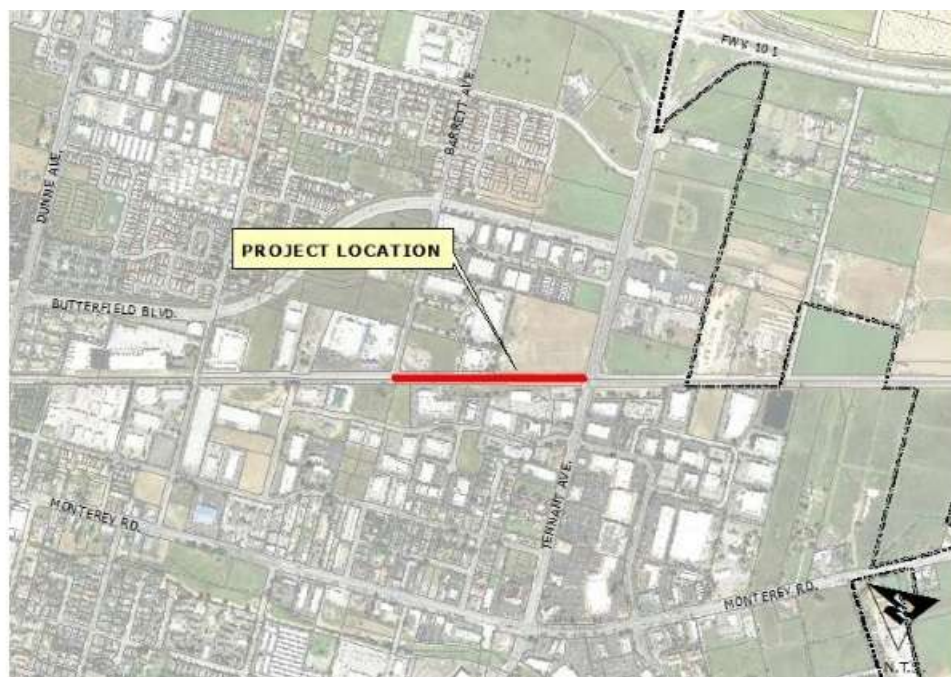
	2016-17				2017-18				2018-19				2019-20				2020-21				2021-22			
Quarter	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4
Planning																								
Project Design	X	X	X	X	X	X	X	X	X	X							X	X						
Right-of-Way Acquisition & Permitting	X	X															X	X						
Construction					X	X	X	X	X	X													X	X
Project Closeout									X															

Operating Cost Impacts

There are minimal on-going costs, however, some costs are reduced due to elimination of system bottlenecks and the subsequent reduction in emergency maintenance.

CITY OF MORGAN HILL CAPITAL IMPROVEMENT PROGRAM

Project	New Sewer Mains	Project No.	315006
Category	Wastewater	Department	Public Works
Council Priorities	Enhancing Public Safety, Maintaining Fiscal Responsibility	Location	Citywide



Project Description

In FY 16/17, a new sewer main on Railroad between Barrett and Tennant will be installed. A new sewer main on Tennant between Railroad and Monterey will be designed and constructed in FY 17/18.

FY 16/17: Railroad Ave: between Barrett & Tennant

FY 17/18: Tennant: between Railroad & Monterey Rd

FY 17/18: Tennant: Railroad Crossing

A new CIP is being prepared as part of the new Water Master Plan to be completed in early FY 16/17. Future sewer main projects will be defined including scope and timing of the projects in the new CIP. The spending plan below will be updated once the new project schedule is defined.

Project Justification

New sewer mains are required to provide adequate capacity and support development-related growth.

CITY OF MORGAN HILL
CAPITAL IMPROVEMENT PROGRAM

Expenditure Schedule & Category

Wastewater: 315006

	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22
86220 - Architecture and Design	\$21,000	\$107,000				
86360 - Construction	\$799,000	\$909,000	\$600,000			
86530 - Project Implementation	\$10,000	\$53,000				
FUNDING TOTALS	\$830,000	\$1,069,000	\$600,000			

Funding Sources

Funding Category	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22
f641 - Sewer Impact Fund	\$208,000	\$1,069,000	\$600,000			
f643 - Sewer CIP Fund	\$622,000					
PROJECT COST	\$830,000	\$1,069,000	\$600,000			

Estimated Project Schedule

	2016-17				2017-18				2018-19				2019-20				2020-21				2021-22			
Quarter	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4
Planning																								
Project Design	X	X	X		X	X			X	X														
Right-of-Way Acquisition & Permitting																								
Construction					X	X	X	X	X	X	X	X	X	X										
Project Closeout							X						X											

Operating Cost Impacts

Operating costs are offset by revenues from new users.

CITY OF MORGAN HILL

CAPITAL IMPROVEMENT PROGRAM

Project	New Well Property/Construction	Project No.	601000
Category	Water	Department	Public Works
Council Priorities	Enhancing Public Safety, Maintaining Fiscal Responsibility	Location	Citywide



Project Description

New water wells are required to meet the City's water supply needs as Morgan Hill grows. The new wells also provide the necessary reliability during drought conditions.

To increase available water sources and to provide for more reliability during the drought, the City, during FY 14/15, accelerated the replacement of two poorly performing wells (Boys Ranch #2 and Jackson #3) and also accelerated the development of two new wells (E. Main Avenue and Walnut Grove). Drilling of the four new wells (Phase I) will be completed by the end of FY15/16. Phase II begins in FY 16/17 with the reconstruction of existing well buildings for Boys Ranch #2 and Jackson #3 well sites. Phase III also begins in FY 16/17 with the construction of new well buildings for the East Main Avenue Well and the Walnut Grove Well.

Future well projects are anticipated in the upcoming Water Master Plan.

Project Justification

New wells are identified in the 2002 Water Master Plan and reflect the need for additional capacity as the community continues to develop and demand additional water resources. The 2002 Water Master Plan is updated in FY 15/16 and the need for future wells will be identified in order to meet new demand.

CITY OF MORGAN HILL
CAPITAL IMPROVEMENT PROGRAM

Expenditure Schedule & Category

Water: 601000

	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22
86200 - Professional Services	\$35,000					
86220 - Architecture and Design	\$193,000			\$114,000		
86360 - Construction	\$1,639,000			\$969,000		
86530 - Project Implementation	\$96,000			\$57,000		\$90,000
FUNDING TOTALS	\$1,963,000			\$1,140,000		\$90,000

Funding Sources

Funding Category	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22
f651 - Water Impact Fund	\$1,963,000			\$1,140,000		\$90,000
PROJECT COST	\$1,963,000			\$1,140,000		\$90,000

Estimated Project Schedule

	2016-17				2017-18				2018-19				2019-20				2020-21				2021-22			
Quarter	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4
Planning																							X	X
Project Design	X												X	X										
Right-of-Way Acquisition & Permitting																								
Construction	X	X	X	X											X	X	X							
Project Closeout				X																				

Operating Cost Impacts

This project will increase maintenance and operating costs which will be offset by increase in revenues from new users.

CITY OF MORGAN HILL CAPITAL IMPROVEMENT PROGRAM

Project	New Water Reservoirs	Project No.	602000
Category	Water	Department	Public Works
Council Priorities	Enhancing Public Safety, Maintaining Fiscal Responsibility	Location	Citywide



Project Description

The 2002 Water Master Plan identified the need for several additional water reservoirs which will increase storage capabilities and fire protection and assist meeting peak demand levels. East Dunne reservoir is the priority project for the near term. In FY15/16 a new tank at East Dunne Avenue and Flaming Oaks Lane with a capacity of 850,000 gallons is being designed. Construction is to occur in FY 16/17. The reservoir will provide storage volume for the Jackson Oaks and Holiday pressure zones. This tank will also eliminate the booster pumps that currently feed the Holiday 2 and 3 pressure zones.

Project Justification

Reservoirs allow the City to meet peak demand, but also reduce electrical costs since they typically operate during off-peak times. Additional tanks also create redundancy in the system which allows the City to continually provide water for consumption and fire protection, even while other components may be off-line due to maintenance, repair, or natural disaster. The 2002 Water Master Plan is currently being updated and the need for future reservoirs will be identified to meet capacity needs. For planning purposes at least one new reservoir is anticipated for design at the end of the capital planning period (2020 - 2022). Funding for a future reservoir is included for the out years. When the Water System Master Plan is completed in 2016 the CIP will be revised to included system needs.

CITY OF MORGAN HILL
CAPITAL IMPROVEMENT PROGRAM

Expenditure Schedule & Category

Water: 602000

	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22
86200 - Professional Services	\$100,000				\$300,000	
86220 - Architecture and Design					\$50,000	
86360 - Construction	\$2,500,000					
86530 - Project Implementation	\$120,000				\$20,000	
FUNDING TOTALS	\$2,720,000				\$370,000	

Funding Sources

Funding Category	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22
f651 - Water Impact Fund	\$680,000					
f653 - Water CIP Fund	\$2,040,000				\$370,000	
PROJECT COST	\$2,720,000				\$370,000	

Estimated Project Schedule

	2016-17				2017-18				2018-19				2019-20				2020-21				2021-22			
Quarter	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4
Planning																	X	X						
Project Design	X	X															X	X						
Right-of-Way Acquisition & Permitting																								
Construction		X	X	X	X																			
Project Closeout					X																			

Operating Cost Impacts

This project will increase maintenance and operating costs which will be offset by increased water sales.

CITY OF MORGAN HILL CAPITAL IMPROVEMENT PROGRAM

Project	New Water Mains	Project No.	603000
Category	Water	Department	Public Works
Council Priorities	Enhancing Public Safety, Maintaining Fiscal Responsibility	Location	Citywide



Project Description

Ongoing development results in greater demand for water services and thus new water mains are required for distributing water to the new areas.

The E. Dunne Hill Reservoir Water Main Project was designed in FY 15/16 to install approximately 4,000 feet of 16" transmission main to supply water to the new 850,000 gallon reservoir near Flaming Oaks Lane from the existing E. Dunne Booster Station. Construction of the transmission piping project is scheduled for FY 16/17. The combination of the new transmission main, the new reservoir and modifications to the existing E. Dunne Booster station will significantly improve water storage capacity and fire protection for the surround area.

A new CIP is being prepared as part of the new Water Master Plan to be completed in early FY 16/17. Future water main projects will be defined including scope and timing of the projects in the new CIP. The spending plan below will be updated once the new project schedule is defined.

Project Justification

The new water mains will ensure that there is an adequate distribution system enabling the City to meet new water demands.

CITY OF MORGAN HILL
CAPITAL IMPROVEMENT PROGRAM

Expenditure Schedule & Category

Water: 603000

	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22
86200 - Professional Services	\$35,000					
86220 - Architecture and Design			\$25,000	\$25,000	\$25,000	\$25,000
86360 - Construction	\$1,221,000		\$160,000	\$160,000	\$160,000	\$160,000
86530 - Project Implementation	\$69,000		\$15,000	\$15,000	\$15,000	\$15,000
FUNDING TOTALS	\$1,325,000		\$200,000	\$200,000	\$200,000	\$200,000

Funding Sources

Funding Category	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22
f651 - Water Impact Fund	\$884,000		\$200,000	\$200,000	\$200,000	\$200,000
f653 - Water CIP Fund	\$441,000					
PROJECT COST	\$1,325,000		\$200,000	\$200,000	\$200,000	\$200,000

Estimated Project Schedule

	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22
Quarter	1 2 3 4	1 2 3 4	1 2 3 4	1 2 3 4	1 2 3 4	1 2 3 4
Planning	X					
Project Design	X X					
Right-of-Way Acquisition & Permitting						
Construction	X X		X X	X X	X X	X X
Project Closeout		X				

Operating Cost Impacts

This project will increase maintenance and operating costs which will be offset by water sales in some instances.

CITY OF MORGAN HILL CAPITAL IMPROVEMENT PROGRAM

Project	Booster Pump Rehabilitation	Project No.	607000
Category	Water	Department	Public Works
Council Priorities	Enhancing Public Safety. Maintaining Fiscal Responsibility.	Location	City Booster Stations



Project Description

The City has an ongoing maintenance program for the repairs and updates for the City's ten (10) water booster stations. Projects in FY 16/17 include the retrofit of the E. Dunne Booster Station. This project will reconfigure the station to also serve the E. Dunne Hill Reservoir Water Main Project and the new 850,000 gallon reservoir near Flaming Oaks Lane to support the new Hill Reservoir. This project will also support the FY15/16 Oak Canyon Booster Station currently under construction. The combination of the new transmission main, the new reservoir and modifications to the existing E. Dunne Booster station will significantly improve water storage capacity and fire protection for the surround area.

A new CIP is being prepared as part of the new Water Master Plan to be completed in early FY 16/17. Future booster pump station rehabilitation projects will be defined including scope and timing of the projects in the new CIP. The spending plan below will be updated once the new project schedule is defined.

Project Justification

In order to ensure system reliability, the booster stations are on a scheduled maintenance program.

CITY OF MORGAN HILL
CAPITAL IMPROVEMENT PROGRAM

Expenditure Schedule & Category

Water: 607000

	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22
86220 - Architecture and Design	\$30,000					\$80,000
86360 - Construction	\$253,000					\$970,000
86530 - Project Implementation	\$30,000					\$50,000
FUNDING TOTALS	\$313,000					\$1,100,000

Funding Sources

Funding Category	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22
f651 - Water Impact Fund	\$240,000					
f653 - Water CIP Fund	\$73,000					\$1,100,000
PROJECT COST	\$313,000					\$1,100,000

Estimated Project Schedule

	2016-17				2017-18				2018-19				2019-20				2020-21				2021-22			
Quarter	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4
Planning																								
Project Design	X	X																						
Right-of-Way Acquisition & Permitting																								
Construction		X	X	X																				
Project Closeout				X																				

Operating Cost Impacts

Investing in the booster station rehabilitation program ensures safety and reliability, and reduces emergency repair costs.

CITY OF MORGAN HILL CAPITAL IMPROVEMENT PROGRAM

Project	Rehabilitate Water Wells	Project No.	608000
Category	Water	Department	Public Works
Council Priorities	Enhancing Public Safety, Protecting the Environment	Location	City Water Wells



Project Description

The City has an ongoing maintenance program of repairs/updates for the City's seventeen (17) active water wells.

During FY 14/15, the City accelerated the replacement of two poorly performing wells (Boys Ranch #2 and Jackson #3) and the development of two new wells (E. Main Avenue and Walnut Grove) to increase available water source and to provide for more reliability. Drilling of the four new wells (Phase I) will be completed by the end of FY15/16. Phase II begins in FY 16/17 with the reconstruction of existing well buildings for Boys Ranch #2 and Jackson #3 well sites.

Future well projects are anticipated and a place holder project is shown in 2019 - 20. A new CIP is being prepared as part of the new Water Master Plan to be completed in early FY 16/17. Future well projects will be clearly defined including scope and timing of the projects in the new CIP.

Project Justification

In order to ensure system reliability, the water wells are on a scheduled maintenance program.

CITY OF MORGAN HILL
CAPITAL IMPROVEMENT PROGRAM

Expenditure Schedule & Category

Water: 608000

	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22
86200 - Professional Services	\$40,000			\$40,000		
86220 - Architecture and Design	\$94,000			\$50,000		
86360 - Construction	\$399,000			\$500,000		
86530 - Project Implementation	\$47,000			\$40,000		
FUNDING TOTALS	\$580,000			\$630,000		

Funding Sources

Funding Category	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22
f651 - Water Impact Fund						
f653 - Water CIP Fund	\$580,000			\$630,000		
PROJECT COST	\$580,000			\$630,000		

Estimated Project Schedule

	2016-17				2017-18				2018-19				2019-20				2020-21				2021-22			
Quarter	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4
Planning													X											
Project Design	X												X											
Right-of-Way Acquisition & Permitting																								
Construction		X	X	X									X	X	X									
Project Closeout					X												X							

Operating Cost Impacts

Investing in the water well rehabilitation program ensures safety and reliability, and reduces emergency repair costs.

CITY OF MORGAN HILL CAPITAL IMPROVEMENT PROGRAM

Project	Water Main Replacement	Project No.	610000
Category	Water	Department	Public Works
Council Priorities	Enhancing Public Safety, Maintaining Fiscal Responsibility	Location	Citywide



Project Description

The City has approximately 182 miles of water pipelines in its water distribution system ranging in age. Replacement of aging pipelines is a routine, ongoing program.

In FY18/19 and FY19/20, the existing transmission main feeding the existing Holiday 1 & 2 Reservoirs will be replaced to improve water storage capacity and fire protection for the surround area.

Future water main projects will be identified with the completion of the new Water System Master Plan in early FY 16/17 as part of the General Plan Update. The budget below anticipates projects in future years and will be updated once the new CIP is produced.

Project Justification

In order to ensure system reliability, the City's water mains are on a scheduled maintenance/ replacement program.

CITY OF MORGAN HILL
CAPITAL IMPROVEMENT PROGRAM

Expenditure Schedule & Category

Water: 610000

	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22
86200 - Professional Services			\$35,000	\$35,000	\$35,000	
86220 - Architecture and Design			\$70,000	\$70,000	\$70,000	\$80,000
86360 - Construction			\$595,000	\$595,000	\$300,000	\$970,000
86530 - Project Implementation			\$35,000	\$35,000	\$25,000	\$50,000
FUNDING TOTALS			\$735,000	\$735,000	\$430,000	\$1,100,000

Funding Sources

Funding Category	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22
f653 - Water CIP Fund			\$735,000	\$735,000	\$430,000	\$1,100,000
PROJECT COST			\$735,000	\$735,000	\$430,000	\$1,100,000

Estimated Project Schedule

	2016-17				2017-18				2018-19				2019-20				2020-21				2021-22			
Quarter	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4
Planning																								
Project Design								X					X				X				X			
Right-of-Way Acquisition & Permitting																								
Construction									X	X	X		X	X	X		X	X	X		X	X		
Project Closeout													X				X				X			

Operating Cost Impacts

Investing in the water main replacement program ensures safety and reliability, and reduces emergency repair costs.

CITY OF MORGAN HILL CAPITAL IMPROVEMENT PROGRAM

Project	Recoat Water Reservoir/Tank	Project No.	620007
Category	Water	Department	Public Works
Council Priorities	Enhancing Public Safety, Maintaining Fiscal Responsibility	Location	City Water Storage Reservoirs



Project Description

The City has thirteen (13) water tanks/reservoirs that must be maintained in accordance with American Water Works Association (AWWA) standards. A typical re-coating includes the removal of the old coating, application of a new internal epoxy coating, corrosion-resistant paint on the exterior surface and structural repairs and required upgrades.

In FY 21/22, the El Toro Tank rehabilitation will be finished, and repairs and stabilization to the access road (due to it being adjacent to the hillside) will be completed.

Project Justification

The ongoing re-coating project is required for compliance with the City's Water System Operating permit issued by the Department of Public Health. Each re-coating typically lasts for 15-25 years depending on the tank location and other environmental factors.

CITY OF MORGAN HILL
CAPITAL IMPROVEMENT PROGRAM

Expenditure Schedule & Category

Water: 620007

	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22
86220 - Architecture and Design						\$20,000
86360 - Construction						\$170,000
86530 - Project Implementation						\$10,000
FUNDING TOTALS						\$200,000

Funding Sources

Funding Category	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22
f653 - Water CIP Fund						\$200,000
PROJECT COST						\$200,000

Estimated Project Schedule

	2016-17				2017-18				2018-19				2019-20				2020-21				2021-22			
Quarter	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4
Planning																								
Project Design																					X	X		
Right-of-Way Acquisition & Permitting																								
Construction																							X	X
Project Closeout																								

Operating Cost Impacts

There is no significant ongoing fiscal impact associated with the reservoir/tank re-coating project.

CITY OF MORGAN HILL

CAPITAL IMPROVEMENT PROGRAM

Project	Water Supply Planning	Project No.	623014
Category	Water	Department	Public Works
Council Priorities	Enhancing Public Safety, Protecting the Environment	Location	Citywide



Project Description

The City continues to face water supply challenges as drought conditions persist throughout much of California. The City Council has directed staff to expand its water supply planning efforts to include use of recycled water, stormwater capture, and to explore the use of other surface water supplies. This work began when with the completion of the 2015 Morgan Hill Recycled Water Feasibility Evaluation which identified some of the challenges of bringing recycled water to the City. This project would begin the planning and technical studies necessary to position the City to use recycled water and stormwater for groundwater recharge. It will also look at securing additional long term surface water supplies in cooperation with SCVWD and City of Gilroy. Some key tasks will include:

- o Identifying suitable groundwater recharge locations that meet indirect potable reuse regulatory requirements
- o Groundwater modeling to evaluate flow patterns and impact of well pumping
- o Tracer studies to determine groundwater travel times
- o Identifying stormwater infiltration areas
- o Technical and legal review of recycled water requirements
- o Exploring municipal system expansion with well abandonment opportunities
- o Options for long term surface water supply rights

The project would also plan for the acquisition of acceptable recharge sites once the sites were identified. The planned start for land acquisition is in 2018.

Project Justification

The City's water system relies on groundwater as its sole source municipal water. The proposed project seeks to find ways to maintain if not increase the capacity of water storage in the Llagas groundwater basin which would directly benefit the City's water system.

CITY OF MORGAN HILL
CAPITAL IMPROVEMENT PROGRAM

Expenditure Schedule & Category

Water: 623014

	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22
86220 - Architecture and Design	\$90,000	\$90,000	\$270,000	\$230,000	\$230,000	\$50,000
86530 - Project Implementation	\$10,000	\$10,000	\$30,000	\$20,000	\$20,000	
FUNDING TOTALS	\$100,000	\$100,000	\$300,000	\$250,000	\$250,000	\$50,000

Funding Sources

Funding Category	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22
f651 - Water Impact Fund	\$100,000	\$100,000	\$100,000	\$50,000	\$50,000	\$50,000
f653 - Water CIP Fund			\$200,000	\$200,000	\$200,000	
PROJECT COST	\$100,000	\$100,000	\$300,000	\$250,000	\$250,000	\$50,000

Estimated Project Schedule

	2016-17				2017-18				2018-19				2019-20				2020-21				2021-22			
Quarter	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4
Planning	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X
Project Design																								
Right-of-Way Acquisition & Permitting																								
Construction																								
Project Closeout																								

Operating Cost Impacts

Investing in a water supply will help to identify opportunities to providing consistent water supply to the community.

CITY OF MORGAN HILL CAPITAL IMPROVEMENT PROGRAM

Project	Well Demolition and Abandonment	Project No.	625016
Category	Water	Department	Public Works
Council Priorities	Enhancing Public Safety, Protecting the Environment	Location	Condit, Tenant, Cochrane Wells



Project Description

The City has three production wells which are no longer in service: 1) Condit Well, 2) Tenant Well, 3) Cochrane Well.

The wells are no longer in service because of low production rate and/or poor water quality. This project would confirm the issues limiting or prohibiting well projection and then demolish appurtenances and abandon the well(s) per state requirements. The project would surplus any real property deemed no longer usable to the water utility.

The project will be funded using a portion of the available monies in FY 2018 as identified in the 2015 NBS Rate Study for Future Projects.

Project Justification

This is to comply with State requirements.

CITY OF MORGAN HILL
CAPITAL IMPROVEMENT PROGRAM

Expenditure Schedule & Category

Water: 625016

	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22
86220 - Architecture and Design		\$66,000				
86360 - Construction		\$235,000				
86530 - Project Implementation		\$99,000				
FUNDING TOTALS		\$400,000				

Funding Sources

Funding Category	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22
f653 - Water CIP Fund		\$400,000				
PROJECT COST		\$400,000				

Estimated Project Schedule

	2016-17				2017-18				2018-19				2019-20				2020-21				2021-22			
Quarter	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4
Planning																								
Project Design					X	X																		
Right-of-Way Acquisition & Permitting																								
Construction							X																	
Project Closeout								X																

Operating Cost Impacts

There are no operating budget impacts.

THE USE OF CAPITAL FUNDS FOR CIP PROJECTS

This section describes the capital funds used for the construction of capital projects in the City's six-year CIP. Each fund page includes a brief description of the fund, how that fund generates money for capital investment, limitations and other important factors relating to the use of that fund, and the goals for capital investment for that fund.

In accordance with the City's fiscal policies, capital improvements are financed primarily through user fees, service charges, assessments, special taxes or developer agreements when benefits can be specifically attributed to users of the facility. As these funds are received, they are accumulated into specific fund categories for tracking purposes, and for use only for capital projects. Accordingly, development impact fees are created and implemented at levels sufficient to ensure that new development pays its fair share of the cost of constructing necessary community facilities as needed to handle the demand for new services. Development impact fees and residential development control system (RDSC) fees are major funding sources in financing City improvements. However, revenues from these fees are subject to significant fluctuation based upon the rate of new development.

The following guidelines are followed in designing and building projects funded with development impact fees or Measure C fees:

- The availability of fees in funding a specific project will be analyzed on a case-by-case basis as plans and specifications or contract awards are submitted for City Manager or City Council approval.
- If adequate funds are not available at that time, the City Council will make one of two determinations:
 - 1) Defer the project until funds are available, or
 - 2) Based on the high-priority of the project, advance funds from other available City funds.
- Repayment of advances and related interest will be the first use of development impact funds and Measure C funds when they become available.

PRO FORMA AND HOW IT IS USED IN CAPITAL BUDGET PLANNING

A "pro forma" is a balance sheet that shows the balances projected to be available in each fund at the end of each fiscal year based on projected revenues (using conservative estimates) and a detailed program of expenditures as laid out in the 6-year CIP. Projects are funded on the basis of available funding. In those out-years, if the pro forma shows a negative fund balance, the decision will be made in the interim as to whether to move the project out, reduce the scope of work for that year, develop alternate revenue sources, or delete the project. These decisions will be made by aligning available funding with the overall goals of the 6-year CIP.

There are two tables at the bottom of each page that accomplish the following purpose:

- Project List Summary - This lists the projects that are funded (partially or in whole) by the use of that fund. Projects funded by more than one fund are listed again within the page(s) that describe the other participating funds.
- 6-Year Pro Forma - This shows the progression of fund balance within a particular fund over the next six years based on revenues received (as projected) and capital expenditures as programmed in the 6-Year CIP. The fund balance begins with the estimated beginning balance as of June 30, 2016.

CITY OF MORGAN HILL

CAPITAL IMPROVEMENT PROGRAM

215 - CDBG

Fund Description

The Community Development Block Grant (CDBG) is a special revenue fund used to account for Federal low and moderate income housing program funds. This fund is restricted to low and moderate income housing uses.

How this Fund Generates Money for Capital Investment

The fund is issued by the U.S. Department of Housing and Urban Development (HUD) to fund local community development activities such as affordable housing, anti-poverty programs, and infrastructure development.

Limitations and Other Important Factors

Overall uses allowed include: community development activities, construction of public facilities and improvements, construction and maintenance of neighborhood centers, and the conversion of school buildings, public services, and economic development and job creation/retention activities.

Goals for Capital Investment

In compliance with the intended CDBG purpose, the funds made available for the City's 6-Year CIP program will be used for ongoing Installment of curb ramps city-wide to make sidewalks more accessible for the disabled, improvements to recreational facilities located in eligible neighborhoods, and security improvements, such as surveillance cameras, in eligible locations.

Project List Summary

Projects	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22
141016 - Galvan Park Improvements	\$70,000					
Totals	\$70,000					

Six-Year Pro Forma

	2015-16 YE Projected	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22
Beginning Fund Balance	(\$5,169)	\$0	\$0	\$0	\$0	\$0	\$0
Revenues - Impact Fees (AB1600)							
Revenues - Non-AB1600 RDCS							
Revenues - Other	\$82,169	\$70,000					
Expenditures - CIP Projects	\$77,000	\$70,000					
Expenditures - Other							
Ending Fund Balance	\$0	\$0	\$0	\$0	\$0	\$0	\$0

CITY OF MORGAN HILL

CAPITAL IMPROVEMENT PROGRAM

301 - Park Impact

Fund Description

Park Development Impact Fund revenues are received from developers of properties. The funds may only be used for the design, development and construction of new parks within the City. Fund is subject to the restrictions of AB1600.

How this Fund Generates Money for Capital Investment

New development creates the need for expanded inventory of parks facilities. Impact fee revenues are intended for the capital investment into new parks. The City imposes parks impact fees under authority granted by the Mitigation Fee Act (the Act), contained in California Government Code Sections 66000 et seq. A City Council adopted "Impact Fee Report" provides the necessary findings required by the Act for adoption of the fees presented in the impact fee schedules.

Limitations and Other Important Factors

All development impact fee-funded capital projects are programmed through the City's 6-Year CIP, by which the City identifies and directs its fee revenue to new public facilities/infrastructure projects that will accommodate future growth. By programming fee revenues to specific capital projects, the City ensures a reasonable relationship between new development and the use of fee revenues as required by the Act. As residents are considered to be the primary users of parks, demand for parks and associated facilities is based on the City's residential population, rather than a combined resident-worker service population.

Goals for Capital Investment

The goal is to expand park facilities to meet the demands of a growing community. Prior to capital investment, a citywide assessment of potential park impact projects and an evaluation of trail needs vs. park needs will be reviewed and a prioritization plan will be established.

Revenues - Other in FY 16-17 includes anticipated grants in the amount of \$1,660,000 for Downtown Parks Project and \$185,000 for Galvan Park Improvement Project.

Expenditures - Other includes a transfer out to the General Fund (010) in the amounts of \$60,000 to \$75,000 annually.

Project List Summary

Projects	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22
110097 - Parks Land Purchase and Development	\$180,000	\$2,150,000	\$2,050,000	\$70,000	\$70,000	\$70,000
117001 - West Little Llagas Creek Trail	\$650,000	\$435,000				
135013 - Downtown Parks	\$3,801,000					
136014 - Parks Master Plan Update	\$20,000					
137015 - Inclusive Playground	\$550,000					
139016 - Sports Facilities Parking Lots	\$25,000					
141016 - Galvan Park Improvements	\$185,000					
Totals	\$5,411,000	\$2,585,000	\$2,050,000	\$70,000	\$70,000	\$70,000

CITY OF MORGAN HILL

CAPITAL IMPROVEMENT PROGRAM

Six-Year Pro Forma Fund 301

	2015-16 YE Projected	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22
Beginning Fund Balance	\$10,751,523	\$6,263,029	\$2,588,882	\$1,328,372	\$596,095	\$1,766,462	\$2,955,320
Revenues - Impact Fees (AB1600)	\$2,083,174	\$1,828,520	\$1,425,170	\$1,425,170	\$1,344,500	\$1,344,500	\$1,344,500
Revenues - Non-AB1600 RDCS							
Revenues - Other	\$53,108	\$22,075	\$14,470	\$9,211	\$14,106	\$34,258	\$34,258
Expenditures - CIP Projects	\$6,499,347	\$5,411,000	\$2,585,000	\$2,050,000	\$70,000	\$70,000	\$70,000
Expenditures - Other	\$125,430	\$113,742	\$115,150	\$116,658	\$118,239	\$119,899	\$123,496
Ending Fund Balance	\$6,263,028	\$2,588,882	\$1,328,372	\$596,095	\$1,766,462	\$2,955,321	\$4,140,582

CITY OF MORGAN HILL

CAPITAL IMPROVEMENT PROGRAM

302 - Park Maintenance

Fund Description

Park Maintenance/Development Fund receives revenues from developers of properties and the funds may only be used for the maintenance and development of the City's parks.

How this Fund Generates Money for Capital Investment

Funds received from developers through the RDCS process are deposited in the Park Maintenance Fund to pay for maintenance activity in parks or to improve or reduce maintenance activity. Transfers to the General Fund are periodically made to support park maintenance activities. Capital expenditures can be made at park facilities to address or minimize future maintenance efforts.

Limitations and Other Important Factors

Park Maintenance Funds are to be spent only on the maintenance activities in City parks. Expenditures made for capital improvements will deplete resources allocated in the future for ongoing operations and maintenance.

Goals for Capital Investment

There are no capital improvement projects identified in the current 6-Year CIP.

Expenditures - Other includes salaries and benefits, supplies, and internal services.

Six-Year Pro Forma

	2015-16 YE Projected	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22
Beginning Fund Balance	\$4,931,589	\$5,415,479	\$5,528,904	\$5,483,779	\$5,417,970	\$5,307,962	\$5,180,009
Revenues - Impact Fees (AB1600)							
Revenues - Non-AB1600 RDCS	\$1,084,523	\$748,000	\$583,000	\$583,000	\$550,000	\$550,000	\$550,000
Revenues - Other	\$330,092	\$290,123	\$305,026	\$318,927	\$331,784	\$343,301	\$343,301
Expenditures - CIP Projects	\$5,622						
Expenditures - Other	\$925,102	\$924,698	\$933,151	\$967,737	\$991,791	\$1,021,254	\$1,051,892
Ending Fund Balance	\$5,415,480	\$5,528,904	\$5,483,779	\$5,417,969	\$5,307,963	\$5,180,009	\$5,021,418

CITY OF MORGAN HILL

CAPITAL IMPROVEMENT PROGRAM

303 - Local Drainage Impact

Fund Description

Local Drainage Impact Fund revenues are received from developers of properties and the funds may only be used for the design and construction of new storm drains. Fund is subject to the restrictions of AB1600.

How this Fund Generates Money for Capital Investment

New development creates the need for City to expand its inventory of public facilities and build new- or add on to current - infrastructure to handle the demands of new services. The City imposes public facilities fees under authority granted by the Mitigation Fee Act (the Act), contained in California Government Code Sections 66000 et seq. A City Council-adopted "Impact Fee Report" provides the necessary findings required by the Act for adoption of the fees presented in impact fee schedules.

Limitations and Other Important Factors

All development impact fee-funded capital projects are programmed through the City's 6-Year CIP, by which the City identifies and directs its fee revenue to new public facilities/infrastructure projects that will accommodate future growth. By programming fee revenues to specific capital projects, the City ensures a reasonable relationship between new development and the use of fee revenues as required by the Act. Most new development generates storm water runoff. This runoff must be controlled through storm drain facilities. Storm drain demand is measured by impervious (solid) surface. The more impervious surface a land use creates, the more demand for storm drain facilities it creates.

Goals for Capital Investment

The goal for this fund is to install improvements needed to service anticipated future growth in Morgan Hill.

Project List Summary

Projects	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22
417099 - Llagas Flood Control		\$20,000	\$2,340,000	\$2,790,000	\$100,000	
Totals		\$20,000	\$2,340,000	\$2,790,000	\$100,000	

Six-Year Pro Forma

	2015-16 YE Projected	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22
Beginning Fund Balance	\$5,525,730	\$6,928,294	\$8,528,911	\$10,307,143	\$9,054,896	\$7,298,382	\$8,243,540
Revenues - Impact Fees (AB1600)	\$1,471,896	\$1,586,310	\$1,752,791	\$1,017,600	\$960,000	\$960,000	\$960,000
Revenues - Non-AB1600 RDCS							
Revenues - Other	\$39,194	\$38,547	\$70,093	\$95,248	\$99,040	\$111,187	\$111,187
Expenditures - CIP Projects	\$83,941		\$20,000	\$2,340,000	\$2,790,000	\$100,000	
Expenditures - Other	\$24,585	\$24,241	\$24,651	\$25,095	\$25,554	\$26,029	\$26,809
Ending Fund Balance	\$6,928,294	\$8,528,910	\$10,307,144	\$9,054,896	\$7,298,382	\$8,243,540	\$9,287,918

CITY OF MORGAN HILL

CAPITAL IMPROVEMENT PROGRAM

304 - Local Drainage/Non AB 1600

Fund Description

Local Drainage Fund revenues are received from developers of properties and the funds may be used for the design, construction, and maintenance of storm drains.

How this Fund Generates Money for Capital Investment

Fees are paid by developers of properties.

Limitations and Other Important Factors

These funds are for use for design, the construction, and maintenance of the City's storm drain system.

Goals for Capital Investment

The goals for the use of this fund are to improve existing storm drainage systems and to mitigate existing capacity deficiencies for property frontage.

The Non-AB1600 fee portion has been eliminated from the Residential Development Control System (RDCS).

Project List Summary

Projects	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22
415097 - Storm Pipe Installation	\$50,000	\$150,000	\$150,000	\$150,000	\$150,000	\$150,000
Totals	\$50,000	\$150,000	\$150,000	\$150,000	\$150,000	\$150,000

Six-Year Pro Forma

	2015-16 YE Projected	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22
Beginning Fund Balance	\$1,194,059	\$1,154,946	\$1,184,759	\$1,100,512	\$1,017,932	\$936,540	\$855,855
Revenues - Impact Fees (AB1600)							
Revenues - Non-AB1600 RDCS	\$38,500	\$16,500					
Revenues - Other	\$68,821	\$68,235	\$70,894	\$72,797	\$74,232	\$75,199	\$75,199
Expenditures - CIP Projects	\$140,084	\$50,000	\$150,000	\$150,000	\$150,000	\$150,000	\$150,000
Expenditures - Other	\$6,351	\$4,922	\$5,141	\$5,377	\$5,624	\$5,883	\$6,060
Ending Fund Balance	\$1,154,945	\$1,184,759	\$1,100,512	\$1,017,932	\$936,540	\$855,856	\$774,994

CITY OF MORGAN HILL

CAPITAL IMPROVEMENT PROGRAM

306 - Agriculture & Open Space Preservation

Fund Description

This fund accounts for open space fees collected from developers. These funds are to be expensed for open space expenditures.

How this Fund Generates Money for Capital Investment

Funds collected are primarily used for acquiring properties for open space as part of the 6-Year CIP. They can also be used to acquire properties to mitigate the loss of agricultural lands.

Limitations and Other Important Factors

The funds are to be used for the acquisition of open space areas and for certain maintenance activities in open space areas.

Goals for Capital Investment

The City will continue to acquire lands for open space purposes which can include mitigation for the loss of agricultural lands as the City builds out or for recreational purposes. Revenues-Other includes interest income. Expenditures-Other includes contract services and transfer out to the General Plan Update.

Project List Summary

Projects	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22
125004 - Open Space Acquisitions						
132008 - El Toro Trail	\$320,000	\$235,000				
139016 - Sports Facilities Parking Lots				\$500,000		
140016 - Agricultural Preservation	\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000
Totals	\$1,320,000	\$1,235,000	\$1,000,000	\$1,500,000	\$1,000,000	\$1,000,000

Six-Year Pro Forma

	2015-16 YE Projected	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22
Beginning Fund Balance	\$5,172,576	\$6,087,908	\$6,581,847	\$6,754,593	\$7,178,829	\$7,119,011	\$7,490,572
Revenues - Impact Fees (AB1600)							
Revenues - Non-AB1600 RDCS	\$1,488,670	\$1,912,186	\$1,490,381	\$1,490,381	\$1,490,381	\$1,406,019	\$1,406,019
Revenues - Other	\$36,635	\$31,595	\$49,589	\$68,513	\$86,947	\$105,233	\$106,285
Expenditures - CIP Projects	\$500,000	\$1,320,000	\$1,235,000	\$1,000,000	\$1,500,000	\$1,000,000	\$1,000,000
Expenditures - Other	\$109,972	\$129,843	\$132,224	\$134,658	\$137,146	\$139,691	\$143,882
Ending Fund Balance	\$6,087,909	\$6,581,846	\$6,754,593	\$7,178,829	\$7,119,011	\$7,490,572	\$7,858,994

CITY OF MORGAN HILL

CAPITAL IMPROVEMENT PROGRAM

308 - Street CIP

Fund Description

This fund was established effective July 1, 2007. The fund accounts for resources and requirements for capital projects that support the City of Morgan Hills streets and roads. The fund has been separated from Street Operations, fund 202. The funds allocated, which are normally transfers from other revenue funds such as the Traffic Impact Fund 309, and grant reimbursements, may be expended on new streets, traffic signals, and improvements of existing streets.

How this Fund Generates Money for Capital Investment

The funds allocated, which are normally transfers from other revenue funds such as the Traffic Impact Fund 309 and grant reimbursements, may be expended on new streets, traffic signals, and improvements of existing streets. Increasing Fund 308 investment of \$2.5 million annually would stabilize street maintenance levels and the current pavement condition index (PCI).

Limitations and Other Important Factors

This fund does not independently generate any revenues. For the most part, the funds used for street-related work have been primarily grants. Since grants are paid on a reimbursement basis: 1) the work is first completed, 2) a reimbursement request is submitted, and 3) in approximately 60-90 days a reimbursement check is received. Because award of a grant constitutes a "reimbursement promise" by the granting agency, it is not unusual for the process to overlap fiscal years, the work might be completed in one fiscal year, and the reimbursement is received in the new fiscal year.

Expenditures are only made on the assurance of funds to be received. Because Fund 308 has no income sources beyond grants, it occasionally receives loans from another fund so that the grant application process can be initiated (design work, renderings, studies, etc.). These loans are routinely repaid upon receipt of grant reimbursements for the project.

Goals for Capital Investment

The goals during this period are to continue with the pavement rehabilitation program and the assessment district streets.

Project List Summary

Projects	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22
519000 - Pavement Rehabilitation Program	\$1,995,000	\$1,345,000	\$1,350,000	\$605,000	\$610,000	\$610,000
563013 - Assessment District - Streets	\$705,000					
Totals	\$2,700,000	\$1,345,000	\$1,350,000	\$605,000	\$610,000	\$610,000

CITY OF MORGAN HILL

CAPITAL IMPROVEMENT PROGRAM

Six-Year Pro Forma Fund 308

	2015-16 YE Projected	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22
Beginning Fund Balance	\$957,300	\$23,132	\$43,588	\$44,612	\$45,375	\$46,106	\$47,049
Revenues - Impact Fees (AB1600)							
Revenues - Non-AB1600 RDCS							
Revenues - Other	\$1,579,340	\$2,731,146	\$1,357,235	\$1,362,523	\$618,070	\$623,887	\$623,887
Expenditures - CIP Projects	\$2,503,314	\$2,700,000	\$1,345,000	\$1,350,000	\$605,000	\$610,000	\$610,000
Expenditures - Other	\$10,194	\$10,690	\$11,211	\$11,761	\$12,338	\$12,944	\$13,333
Ending Fund Balance	\$23,132	\$43,588	\$44,612	\$45,374	\$46,107	\$47,049	\$47,603

CITY OF MORGAN HILL

CAPITAL IMPROVEMENT PROGRAM

309 - Traffic Impact

Fund Description

Traffic Impact Fund revenues are received from developers if their projects have an adverse impact on traffic flows, streets, etc. The funds collected may be expended on new streets, traffic signals, and improvements of existing streets where they are impacted by new development. Fund is subject to the restrictions of AB1600.

How this Fund Generates Money for Capital Investment

Revenues result from the City's development impact fee program, through which new development pays the capital costs associated with growth. New development creates the need for the City to expand its inventory of public facilities and build new- or add on to current- infrastructure to handle the demands of new services. The City imposes public facilities fees under authority granted by the Mitigation Fee Act (the Act), contained in California Government Code Sections 66000 et seq. A City Council-adopted "Impact Fee Report" provides the necessary findings required by the Act for adoption of the fees presented in impact fee schedules.

Limitations and Other Important Factors

All development impact fee-funded capital projects are programmed through the City's 6-Year CIP, by which the City identifies and directs its fee revenue to new public facilities/infrastructure projects that will accommodate future growth. By programming fee revenues to specific capital projects, the City ensures a reasonable relationship between new development and the use of fee revenues as required by the Act.

Goals for Capital Investment

The goals for this fund during this period are to expand transit and non-motorized travel opportunities, as needed to service anticipated future growth, including the Hale Avenue Extension Project. Expenditures-Other include a transfer to the General Plan Update.

Project List Summary

Projects	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22
502000 - New Signal Construction	\$25,000					
546007 - Hale Avenue Extension	\$915,000	\$2,985,000	\$150,000			
561012 - Monterey Road Medians	\$40,000					
Totals	\$980,000	\$2,985,000	\$150,000			

CITY OF MORGAN HILL

CAPITAL IMPROVEMENT PROGRAM

Six-Year Pro Forma Fund 309

	2015-16 YE Projected	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22
Beginning Fund Balance	\$4,362,364	\$3,935,097	\$4,278,202	\$2,603,439	\$2,935,918	\$3,401,524	\$3,880,933
Revenues - Impact Fees (AB1600)	\$946,199	\$1,340,428	\$1,322,730	\$493,695	\$465,750	\$465,750	\$465,750
Revenues - Non-AB1600 RDCS							
Revenues - Other	\$29,856	\$20,482	\$25,557	\$27,101	\$38,454	\$52,550	\$52,550
Expenditures - CIP Projects	\$1,279,000	\$980,000	\$2,985,000	\$150,000			
Expenditures - Other	\$124,322	\$37,805	\$38,050	\$38,317	\$38,598	\$38,891	\$40,058
Ending Fund Balance	\$3,935,097	\$4,278,202	\$2,603,439	\$2,935,918	\$3,401,524	\$3,880,933	\$4,359,175

CITY OF MORGAN HILL

CAPITAL IMPROVEMENT PROGRAM

313 - Fire Impact

Fund Description

Fire Impact Fund revenues are derived from a fee charged to developers to cover the costs to construct public improvements required for Fire facilities as a result of new development. Expenditures may only be made for the future construction of the required new Fire facilities or to reimburse the City for sums advanced to construct such facilities. Fund is subject to the restrictions of AB1600.

How this Fund Generates Money for Capital Investment

New development creates the need for City to expand its inventory of public facilities and build new, or add on to current, infrastructure to handle the demands for new services. The City imposes public facilities fees under authority granted by the Mitigation Fee Act (the Act), contained in California Government Code Sections 66000 et seq.

Limitations and Other Important Factors

All development impact fee-funded capital projects are programmed through the City's 6-Year CIP, by which the City identifies and directs its fee revenue to new public facilities/infrastructure projects that will accommodate future growth.

Goals for Capital Investment

There are no projects budgeted during the 2-year budget period. Planning for the design and building of a new Fire Station in the City are included in the 6-Year CIP. Expenditures-Other include general administrative charges.

Project List Summary

Projects	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22
250014 - Fire Station on Butterfield				\$150,000	\$2,990,000	
Totals				\$150,000	\$2,990,000	

Six-Year Pro Forma

	2015-16 YE Projected	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22
Beginning Fund Balance	\$3,582,293	\$3,643,156	\$3,755,992	\$3,235,092	\$3,596,687	\$3,815,173	\$885,098
Revenues - Impact Fees (AB1600)	\$64,579	\$50,506	\$66,920	\$31,270	\$29,500	\$29,500	\$29,500
Revenues - Non-AB1600 RDCS							
Revenues - Other	\$22,540	\$88,646	\$27,657	\$331,777	\$340,508	\$32,020	\$32,020
Expenditures - CIP Projects					\$150,000	\$2,990,000	
Expenditures - Other	\$26,256	\$26,316	\$615,477	\$1,452	\$1,522	\$1,596	\$1,644
Ending Fund Balance	\$3,643,156	\$3,755,992	\$3,235,092	\$3,596,687	\$3,815,173	\$885,097	\$944,974

CITY OF MORGAN HILL

CAPITAL IMPROVEMENT PROGRAM

346 - Public Facilities/Non-AB 1600

Fund Description

Public Facilities Fund revenues are received from developers of properties and the funds may be used for the design, construction, and maintenance of public facilities or to reimburse the City for funds advanced to construct such facilities.

How this Fund Generates Money for Capital Investment

Fees are paid by developers of properties.

Limitations and Other Important Factors

The funds committed by developers are used specifically for design/construction of public off-site improvements.

Goals for Capital Investment

The goal of the use of this fund is to expand City facilities to accommodate growth, with an exception for Police and Fire. This fund is not intended for Police and Fire as they are funded by their own impact fees.

Project List Summary

Projects	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22
502000 - New Signal Construction	\$225,000		\$480,000		\$540,000	
512093 - Underground Monterey Utilities	\$325,000					
568014 - Parking Lot Maintenance & Rehabilitation	\$40,000	\$40,000	\$40,000	\$40,000	\$40,000	\$40,000
Totals	\$590,000	\$40,000	\$520,000	\$40,000	\$580,000	\$40,000

Six-Year Pro Forma

	2015-16 YE Projected	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22
Beginning Fund Balance	\$666,296	\$1	\$191,764	\$764,679	\$862,599	\$1,412,281	\$1,429,201
Revenues - Impact Fees (AB1600)							
Revenues - Non-AB1600 RDCS	\$1,021,087	\$785,400	\$612,150	\$612,150	\$577,500	\$577,500	\$577,500
Revenues - Other	\$5,162	\$1,226	\$5,806	\$11,011	\$17,632	\$25,088	
Expenditures - CIP Projects	\$1,593,737	\$590,000	\$40,000	\$520,000	\$40,000	\$580,000	\$40,000
Expenditures - Other	\$98,808	\$4,863	\$5,041	\$5,241	\$5,450	\$5,669	\$5,839
Ending Fund Balance	\$0	\$191,764	\$764,679	\$862,599	\$1,412,281	\$1,429,200	\$1,960,862

CITY OF MORGAN HILL

CAPITAL IMPROVEMENT PROGRAM

347 - Public Facilities Impact

Fund Description

Public Facilities Impact Fund revenues are derived from fees charged to developers to cover the costs to construct public improvements required as a result of new development. Expenditures may only be made for the future construction of the required new facilities or to reimburse the City for funds advanced to construct such facilities. Fund is subject to the restrictions of AB1600.

How this Fund Generates Money for Capital Investment

Revenues result from the City's development impact fee program, through which new development pays the capital costs associated with growth. New development creates the need for City to expand its inventory of public facilities and build new- or add on to current- infrastructure to handle the demands of new services. The City imposes public facilities fees under authority granted by the Mitigation Fee Act (the Act), contained in California Government Code Sections 66000 et seq. A City Council-adopted "Impact Fee Report" provides the necessary findings required by the Act for adoption of the fees presented in impact fee schedules.

Limitations and Other Important Factors

All development impact fee-funded capital projects are programmed through the City's 6-Year CIP, by which the City identifies and directs its fee revenue to new public facilities/infrastructure projects that will accommodate future growth. By programming fee revenues to specific capital projects, the City ensures a reasonable relationship between new development and the use of fee revenues as required by the Act.

Goals for Capital Investment

The goals for the use of this fund during this period include the installation of electric vehicle charging stations at the various locations to better meet public needs and to improve amenities for more effective public participation.

Project List Summary

Projects	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22
252016 - Corporation Yard Long Term Plan	\$140,000					
570014 - Charging Stations - CCC/AC/CRC	\$290,000		\$85,000		\$85,000	
Totals	\$430,000		\$85,000		\$85,000	

CITY OF MORGAN HILL

CAPITAL IMPROVEMENT PROGRAM

Six-Year Pro Forma Fund 347

	2015-16 YE Projected	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22
Beginning Fund Balance	\$63,719	\$251,166	\$2,234	\$172,228	\$223,491	\$353,586	\$400,571
Revenues - Impact Fees (AB1600)	\$227,449	\$181,638	\$170,644	\$135,680	\$128,000	\$128,000	\$128,000
Revenues - Non-AB1600 RDCS							
Revenues - Other	\$1,130	\$607	\$573	\$1,858	\$3,422	\$5,369	\$5,369
Expenditures - CIP Projects	\$40,000	\$430,000		\$85,000		\$85,000	
Expenditures - Other	\$1,133	\$1,177	\$1,223	\$1,274	\$1,328	\$1,384	\$1,426
Ending Fund Balance	\$251,165	\$2,234	\$172,228	\$223,492	\$353,585	\$400,571	\$532,514

CITY OF MORGAN HILL

CAPITAL IMPROVEMENT PROGRAM

348 - Library Impact

Fund Description

Library Impact Fund revenues are derived from a fee charged to developers to cover the costs to construct library improvements required as a result of new development. Expenditures may only be made for the future construction of the required new library facilities or to reimburse the City for funds advanced to construct such facilities. Fund is subject to the restrictions of AB1600.

How this Fund Generates Money for Capital Investment

New development creates the need for City to expand its inventory of public facilities and build new, or add on to current, infrastructure to handle the demands for new services. The City imposes public facilities fees under authority granted by the Mitigation Fee Act (the Act), contained in California Government Code Sections 66000 et seq.

Limitations and Other Important Factors

All development impact fee-funded capital projects are programmed through the City's 6-Year CIP, by which the City identifies and directs its fee revenue to new public facilities/infrastructure projects that will accommodate future growth.

Goals for Capital Investment

The goal of the use of this fund is to fund the design for the expansion of the Morgan Hill Library. Expenditures-Other includes the Transfers Out for Bond/Debt. Sufficient Library Impact Funds are available to complete Phase I & II. Any shortfall will be made up with a temporary interfund loan. Phase III will be put on hold until sufficient revenues are generated. Revenue-Other includes library rent, and for FY 17/18, it includes a transfer from Fire Impact Fund 313.

Project List Summary

Projects	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22
251015 - Library Expansion	\$115,000	\$3,330,000				
Totals	\$115,000	\$3,330,000				

Six-Year Pro Forma

	2015-16 YE Projected	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22
Beginning Fund Balance	\$1,403,385	\$1,809,815	\$2,293,305		\$140,653	\$254,133	\$670,363
Revenues - Impact Fees (AB1600)	\$830,466	\$671,160	\$523,110	\$523,110	\$493,500	\$493,500	\$493,500
Revenues - Non-AB1600 RDCS							
Revenues - Other	\$143,144	\$142,243	\$727,399	\$128,150	\$132,476	\$138,698	\$138,698
Expenditures - CIP Projects	\$320,000	\$115,000	\$3,330,000				
Expenditures - Other	\$247,180	\$214,913	\$213,814	\$510,607	\$512,495	\$215,968	\$215,968
Ending Fund Balance	\$1,809,815	\$2,293,305	\$0	\$140,653	\$254,134	\$670,363	\$1,086,593

CITY OF MORGAN HILL

CAPITAL IMPROVEMENT PROGRAM

350 - Undergrounding

Fund Description

Undergrounding Fund receives revenues from developers for the undergrounding of utilities in areas of new development. Expenditures may be made from these funds only for the design and construction associated with such undergrounding.

How this Fund Generates Money for Capital Investment

Fees are paid by developers of properties. In FY 16/17, \$1,054,971 of Rule 20A funds will be received from PG&E for work on the Undergrounding Monterey Utilities Project (512093).

Limitations and Other Important Factors

These funds must be used for undergrounding of utilities in areas of new development.

Goals for Capital Investment

The goals for this fund during this period are the placement of overhead utilities in underground conduits and vaults to eliminate safety hazards and unsightly conditions. To make the most effective use of these funds, it is necessary to aggregate multiple years of revenues and apply them towards a larger utility undergrounding project.

Project List Summary

Projects	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22
512093 - Underground Monterey Utilities						
Totals						

Six-Year Pro Forma

	2015-16 YE Projected	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22
Beginning Fund Balance	\$352,009	(\$711,188)	\$392,575	\$445,272	\$499,483	\$555,454	\$613,431
Revenues - Impact Fees (AB1600)							
Revenues - Non-AB1600 RDCS		\$50,100	\$50,100	\$50,100	\$50,100	\$50,100	\$50,100
Revenues - Other	\$2,263	\$1,054,176	\$3,136	\$4,677	\$6,465	\$8,501	
Expenditures - CIP Projects	\$1,064,971						
Expenditures - Other	\$489	\$513	\$539	\$566	\$594	\$624	\$643
Ending Fund Balance	(\$711,188)	\$392,575	\$445,272	\$499,483	\$555,454	\$613,431	\$662,888

CITY OF MORGAN HILL

CAPITAL IMPROVEMENT PROGRAM

355 - School Pedestrian & Traffic Safety

Fund Description

This fund accounts for the revenues and expenditures related to the collection and use of development fees for pedestrian and traffic safety capital improvements at or near schools.

How this Fund Generates Money for Capital Investment

This fund receives revenues from residential developers who make school pedestrian safety monetary commitments to score points under the Residential Development Control System (RDCS) program.

Limitations and Other Important Factors

These funds are to be expended on projects that enhance the safety of school children going to and from school.

Goals for Capital Investment

The goal for the use of this fund during this period is for the construction of school safety projects in collaboration with the local schools, downtown parks, and sidewalk repairs. Revenues-Other includes the School Pedestrian & Traffic Safety (Account 37655).

Project List Summary

Projects	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22
135013 - Downtown Parks	\$250,000					
551008 - RDCS School Safety Improvements	\$345,000	\$530,000	\$390,000	\$290,000	\$290,000	\$290,000
574015 - Sidewalk Repairs	\$340,000	\$340,000	\$80,000	\$80,000	\$80,000	\$80,000
Totals	\$935,000	\$870,000	\$470,000	\$370,000	\$370,000	\$370,000

Six-Year Pro Forma

	2015-16 YE Projected	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22
Beginning Fund Balance	\$1,364,162	\$1,242,485	\$969,841	\$639,584	\$630,712	\$699,919	\$772,107
Revenues - Impact Fees (AB1600)							
Revenues - Non-AB1600 RDCS							
Revenues - Other	\$508,362	\$666,766	\$544,341	\$465,930	\$444,224	\$447,429	\$447,429
Expenditures - CIP Projects	\$615,215	\$935,000	\$870,000	\$470,000	\$370,000	\$370,000	\$370,000
Expenditures - Other	\$14,824	\$4,410	\$4,598	\$4,802	\$5,016	\$5,241	\$5,398
Ending Fund Balance	\$1,242,485	\$969,841	\$639,584	\$630,712	\$699,920	\$772,107	\$844,138

CITY OF MORGAN HILL

CAPITAL IMPROVEMENT PROGRAM

360 - Com/Rec Ctr Impact

Fund Description

This fund was set up to collect revenues derived from a fee charged to developers to cover the costs to construct new community centers within Morgan Hill. Fund is subject to the restrictions of AB1600.

How this Fund Generates Money for Capital Investment

Impact Fee would only be charged against residential development and would charge developers \$3,570 for a single family residential unit. The alternative Planned Facilities Standard would \$3,570 for a single family residential unit.

Limitations and Other Important Factors

Revenues are collected to finance the expansion of existing and construction of new recreation and community center facilities demanded by new development.

Goals for Capital Investment

The City plans to use recreation and community center facilities fee revenue to construct improvements to add to the system of recreation and community center facilities that serves new development. Fee revenue will fully fund the \$13.3 million in planned recreation and community center facilities identified.

Project List Summary

Projects	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22
138016 - Centennial Recreation Center Expansion		\$160,000	\$2,070,000			
139016 - Sports Facilities Parking Lots				\$145,000	\$885,000	
Totals		\$160,000	\$2,070,000	\$145,000	\$885,000	

Six-Year Pro Forma

	2015-16 YE Projected	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22
Beginning Fund Balance	\$58,927	\$293,069	\$1,543,068	\$2,368,342	\$1,287,032	\$2,078,223	\$2,139,513
Revenues - Impact Fees (AB1600)	\$293,040	\$1,245,420	\$970,695	\$970,695	\$915,750	\$915,750	\$915,750
Revenues - Non-AB1600 RDSCS							
Revenues - Other	\$365	\$4,579	\$14,579	\$17,995	\$20,441	\$30,540	\$30,540
Expenditures - CIP Projects			\$160,000	\$2,070,000	\$145,000	\$885,000	
Expenditures - Other	\$59,263						
Ending Fund Balance	\$293,069	\$1,543,068	\$2,368,342	\$1,287,032	\$2,078,223	\$2,139,513	\$3,085,803

CITY OF MORGAN HILL

CAPITAL IMPROVEMENT PROGRAM

641 - Sewer Impact

Fund Description

The Sewer Impact Fund receives revenues from developer charges to cover the costs to construct sewer improvements required as a result of new development. Expenditures may only be made for the construction of the required improvements or to reimburse the City for funds advanced to construct such improvements. Fund is subject to the restrictions of AB1600.

How this Fund Generates Money for Capital Investment

New development creates the need for City to expand its inventory of public facilities and build new- or add on to current- infrastructure to handle the demands of new services. The City imposes public facilities fees under authority granted by the Mitigation Fee Act (the Act), contained in California Government Code Sections 66000. A City Council-adopted "Impact Fee Report" provides the necessary findings required for adoption of the fees.

Limitations and Other Important Factors

All development impact fee-funded capital projects are programmed through the City's 6-Year CIP, to build out new public facilities/infrastructure projects to accommodate future growth. By programming fee revenues to specific capital projects, the City ensures a reasonable relationship between new development and the use of fee revenues as required by the Act.

Goals for Capital Investment

The goals for this fund during this period are to expand and improve the sewer enterprise system to accommodate anticipated future growth. Revenues-Other includes interest income. Expenditures-Other includes interest payment for the 2015 Sewer Revenue Bonds. FY 15/16 Year-End Projected expenditures include the budget carryover for payments to the South County Regional Wastewater Authority (SCRWA) treatment plant for the Sewer Plant Expansion and Sewer Plant Improvement projects.

Project List Summary

Projects	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22
303093 - Sewer Plant Expansion (SCRWA)	\$693,000	\$1,279,000	\$4,152,000	\$3,053,000	\$1,684,000	\$421,000
303a11 - Sewer Plant Improvements	\$633,000					
304000 - Lift Station Improvements	\$318,000	\$1,591,000	\$200,000	\$250,000	\$800,000	
308a08 - New Trunk Line	\$2,645,000	\$7,466,000	\$127,000		\$500,000	\$3,000,000
315006 - New Sewer Mains	\$208,000	\$1,069,000	\$600,000			
Totals	\$4,497,000	\$11,405,000	\$5,079,000	\$3,303,000	\$2,984,000	\$3,421,000

CITY OF MORGAN HILL

CAPITAL IMPROVEMENT PROGRAM

Six-Year Pro Forma Fund 641

	2015-16 YE Projected	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22
Beginning Fund Balance	\$16,839,672	\$7,082,040	\$8,190,724	\$1,444,935	\$32,071	\$174,582	\$635,173
Revenues - Impact Fees (AB1600)	\$4,835,106	\$5,670,371	\$4,727,753	\$3,758,495	\$3,545,750	\$3,545,750	\$3,545,750
Revenues - Non-AB1600 RDCS							
Revenues - Other	\$92,294	\$62,457	\$59,474	\$36,436	\$29,382	\$29,395	\$29,395
Expenditures - CIP Projects	\$14,633,850	\$4,497,000	\$11,405,000	\$5,079,000	\$3,303,000	\$2,984,000	\$3,421,000
Expenditures - Other	\$51,182	\$127,144	\$128,016	\$128,795	\$129,621	\$130,554	\$134,470
Ending Fund Balance	\$7,082,040	\$8,190,724	\$1,444,935	\$32,071	\$174,582	\$635,173	\$654,848

CITY OF MORGAN HILL

CAPITAL IMPROVEMENT PROGRAM

643 - Sewer Capital Project

Fund Description

This fund was established to avoid fluctuations in the sewer rates charged by providing reserve funding for future system replacements. The fund was initially funded with one-time revenues. The initial contribution to the System Replacement Fund was \$1,300,000 from the Sewer Operations Fund. Future funding will come from transfers from the Operations Fund when available.

How this Fund Generates Money for Capital Investment

Funding comes from transfers from the Sewer Operations Fund, when available.

Limitations and Other Important Factors

The projects paid for through this fund are projects for the purpose of rehabilitation and replacement work for the City's wastewater system.

Goals for Capital Investment

The goals for this fund during this period consist of improvements to enhance system reliability and maintenance of existing system deficiencies. Revenues-Other includes transfers from the Sewer Operations Fund (650) for debt service payments and capital improvement projects. Expenditures-Other includes principal and interest payments for the 2015 Sewer Revenue Bonds.

Project List Summary

Projects	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22
302000 - Sanitary Sewer Rehabilitation	\$924,000	\$3,537,000	\$850,000	\$1,100,000	\$600,000	\$1,250,000
303a11 - Sewer Plant Improvements	\$550,000	\$80,000	\$80,000	\$80,000	\$230,000	\$13,000
304000 - Lift Station Improvements	\$2,864,000	\$395,000			\$876,000	
308a08 - New Trunk Line		\$225,000				
315006 - New Sewer Mains	\$622,000					
512093 - Underground Monterey Utilities	\$8,000					
Totals	\$4,968,000	\$4,237,000	\$930,000	\$1,180,000	\$1,706,000	\$1,263,000

CITY OF MORGAN HILL

CAPITAL IMPROVEMENT PROGRAM

Six-Year Pro Forma Fund 643

	2015-16 YE Projected	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22
Beginning Fund Balance	\$8,102,280	\$10,275,533	\$6,130,940	\$2,467,516	\$2,209,580	\$1,802,988	\$1,063,226
Revenues - Impact Fees (AB1600)							
Revenues - Non-AB1600 RDCS							
Revenues - Other	\$3,522,157	\$2,670,698	\$2,424,509	\$2,522,685	\$2,623,898	\$2,817,918	\$2,817,918
Expenditures - CIP Projects	\$690,734	\$4,968,000	\$4,237,000	\$930,000	\$1,180,000	\$1,706,000	\$1,263,000
Expenditures - Other	\$658,169	\$1,847,291	\$1,850,933	\$1,850,621	\$1,850,490	\$1,851,680	\$1,907,230
Ending Fund Balance	\$10,275,534	\$6,130,940	\$2,467,516	\$2,209,580	\$1,802,988	\$1,063,226	\$710,914

CITY OF MORGAN HILL

CAPITAL IMPROVEMENT PROGRAM

651 - Water Impact

Fund Description

The Impact Fund receives revenues from developer charges to cover the costs to construct water improvements required as a result of the new development. Expenditures may only be made for the construction of the required improvements or to reimburse the City for funds advanced to construct such improvements. Fund is subject to the restrictions of AB1600.

How this Fund Generates Money for Capital Investment

New development creates the need for City to expand its inventory of public facilities and build new- or add on to current- infrastructure to handle the demands of new services. The City imposes public facilities fees under authority granted by the Mitigation Fee Act, contained in California Government Code Sections 66000. A City Council-adopted "Impact Fee Report" provides the necessary findings required for adoption of the fees.

Limitations and Other Important Factors

All development impact fee-funded capital projects are programmed through the City's 6-Year CIP, to build out new public facilities/infrastructure projects to accommodate future growth. By programming fee revenues to specific capital projects, the City ensures a reasonable relationship between new development and the use of fee revenues as required by the Mitigation Fee Act.

Goals for Capital Investment

The goals for this fund during this period consist of funding for new water wells, reservoirs, and water mains to service future growth. Expenditures-Other includes a portion of the debt service payments for 2014 Water Revenue Bonds.

Project List Summary

Projects	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22
601000 - New Well Property/Construction	\$1,963,000			\$1,140,000		\$90,000
602000 - New Water Reservoirs	\$680,000					
603000 - New Water Mains	\$884,000		\$200,000	\$200,000	\$200,000	\$200,000
607000 - Booster Pump Rehabilitation	\$240,000					
610000 - Water Main Replacement						
623014 - Water Supply Planning	\$100,000	\$100,000	\$100,000	\$50,000	\$50,000	\$50,000
Totals	\$3,867,000	\$100,000	\$300,000	\$1,390,000	\$250,000	\$340,000

CITY OF MORGAN HILL

CAPITAL IMPROVEMENT PROGRAM

Six-Year Pro Forma Fund 651

	2015-16 YE Projected	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22
Beginning Fund Balance	\$4,981,630	\$4,630,581	\$1,398,599	\$1,823,394	\$1,814,966	\$657,642	\$799,849
Revenues - Impact Fees (AB1600)	\$1,473,251	\$1,301,089	\$1,196,984	\$960,360	\$906,000	\$906,000	\$906,000
Revenues - Non-AB1600 RDCS							
Revenues - Other	\$24,643	\$8,340	\$1,944	\$4,641	\$1,000	\$1,000	\$1,000
Expenditures - CIP Projects	\$1,182,439	\$3,867,000	\$100,000	\$300,000	\$1,390,000	\$250,000	\$340,000
Expenditures - Other	\$666,504	\$674,410	\$674,134	\$673,429	\$674,324	\$514,793	\$530,237
Ending Fund Balance	\$4,630,581	\$1,398,600	\$1,823,393	\$1,814,966	\$657,642	\$799,849	\$836,612

CITY OF MORGAN HILL

CAPITAL IMPROVEMENT PROGRAM

653 - Water Capital Project

Fund Description

This fund was renamed and combined with the Water Capital Projects Fund. This fund was established to avoid fluctuations in sewer rates by providing reserve funding for future system replacements. The initial contribution to this fund was \$2,550,000 from the Water Operations Fund. Future contributions will come from transfers from the Operations Fund when available.

How this Fund Generates Money for Capital Investment

Funding comes from transfers from the Water Operations Fund when available. In May 2014, the City received \$13 million of new financing from water revenue bond to be used to fund new projects. This fund pays 70% of debt service payment for the water revenue bond, and 30% is paid out of the Water Impact Fund.

Limitations and Other Important Factors

The projects paid for through this fund are projects for the purpose of rehabilitation and replacement work for the City's existing water system.

Goals for Capital Investment

The goals for this fund during this period consist of improvements to enhance system reliability and to take care of existing system deficiencies by replacing deteriorated water main. Revenues-Other includes transfers from the Sewer Operations Fund (650) for debt service payments. Expenditures-Other includes a portion of the debt service payments for the 2014 Water Revenue Bonds.

Project List Summary

Projects	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22
512093 - Underground Monterey Utilities	\$7,000					
602000 - New Water Reservoirs	\$2,040,000				\$370,000	
603000 - New Water Mains	\$441,000					
607000 - Booster Pump Rehabilitation	\$73,000					\$1,100,000
608000 - Rehabilitate Water Wells	\$580,000			\$630,000		
610000 - Water Main Replacement			\$735,000	\$735,000	\$430,000	\$1,100,000
620007 - Recoat Water Reservoir/Tank						\$200,000
623014 - Water Supply Planning			\$200,000	\$200,000	\$200,000	
625016 - Well Demolition and Abandonment		\$400,000				
Totals	\$3,141,000	\$400,000	\$935,000	\$1,565,000	\$1,000,000	\$2,400,000

CITY OF MORGAN HILL

CAPITAL IMPROVEMENT PROGRAM

Six-Year Pro Forma Fund 653

	2015-16 YE Projected	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22
Beginning Fund Balance	\$5,947,645	\$3,170,467	\$32,167	\$26,946	\$187,330	\$17,656	\$2,127,443
Revenues - Impact Fees (AB1600)							
Revenues - Non-AB1600 RDCS							
Revenues - Other	\$1,093,638	\$953,461	\$1,344,995	\$2,044,400	\$2,345,441	\$3,830,138	\$3,830,138
Expenditures - CIP Projects	\$2,926,284	\$3,141,000	\$400,000	\$935,000	\$1,565,000	\$1,000,000	\$2,400,000
Expenditures - Other	\$944,532	\$950,761	\$950,215	\$949,017	\$950,115	\$720,351	\$741,961
Ending Fund Balance	\$3,170,467	\$32,167	\$26,947	\$187,329	\$17,656	\$2,127,443	\$2,815,620

CITY OF MORGAN HILL

CAPITAL IMPROVEMENT PROGRAM

NEEDED-BUT-NOT-FUNDED PROJECTS

Needed-but-not-funded CIP projects are those for which no funding sources are currently available, yet which are described as needed within the General Plan, within the Master Plans (for Storm Drainage, Sewer, and Water), and within other planning documents. The projects are listed so that they can be tracked in the event that funding does become available. This listing also keeps these projects visible as other alternative funding options and other competing projects are being considered.

Note: List is not in priority order

Item #	Project Category	Project Description	Estimated Amount	
Parks & Recreation				
1	Parks Facilities	Butterfield Blvd Linear Park, Phase IV	\$1,250,000	
2	Parks Facilities	Community Garden Relocation	\$250,000	
3	Parks Facilities	Ball Field Development	\$17,500,000	
4	Parks Facilities	Outdoor Sports Center Turf Replacement	\$1,000,000	
5	Parks Facilities	Unfunded Park Replacement	\$590,000	Annually
6	Parks Facilities	Future Trail Planning	TBD*	
7	Parks Facilities	Future Park Acquisition	TBD*	
* Upon completion of Master Plan Update			Total	\$20,590,000
Public Facilities				
8	Public Facilities	Morgan Hill Library Expansion, Phase III	\$1,600,000	
9	Public Facilities	Corp Yard Improvements	\$1,020,000	
10	Public Facilities	Unfunded Building Replacement	\$510,000	Annually
			Total	\$3,130,000
Storm Drainage				
11	Storm Drain	Llagas Rd. between Castle Ridge Dr. & Glen Ayre Dr.	\$300,000	
12	Storm Drain	Mission View Dr. & Half Rd.	\$500,000	
13	Storm Drain	Spring St. & Bisceglia Ave.	\$150,000	
			Total	\$950,000
Streets & Roads				
14	Streets & Roads	Pavement Rehabilitation Program	\$4,500,000	Annually
15	Streets & Roads	Hale Avenue Extension	\$9,450,000	70% of Total
16	Streets & Roads	Butterfield Blvd. North Extension	\$1,200,000	
			Total	\$15,150,000
Water				
18	Water	Hill Booster: E. Dunne Dr.	\$1,422,000	
19	Water	Woodland: 2nd Tank	\$593,000	
20	Water	Barrett: Between Condit and Murphy	\$551,000	
21	Water	W. Main P/M Booster to DeWitt	\$125,000	
22	Water	Dewitt: Between Main & Spring	\$1,025,000	
23	Water	Encinos Booster: Remove From System	\$89,000	
24	Water	Copper Hill: Butterfly & Holiday	\$829,000	
25	Water	Jackson Oaks: Recoat	\$355,500	
26	Water	El Toro: Recoat	\$355,500	

CITY OF MORGAN HILL
CAPITAL IMPROVEMENT PROGRAM

27	Water	Encino: Recoat	\$385,000	
28	Water	Solar: San Pedro Well	\$400,000	
Total			\$6,130,000	

Total			\$45,950,000	
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